TEXAS
EMERGING
TECHNOLOGY FUND

FY 2014 Legislative Report

September 1, 2013 – August 31, 2014

Office of the Governor

Economic Development and Tourism

BACKGROUND INFORMATION

Established in 2005, the Texas Emerging Technology Fund (TETF) was created to make competitive awards to technology start-ups, consortia and Texas institutions of higher education. Although the Economic Development and Tourism Division at the Office of the Governor administered the program on behalf of the State, decisions regarding the awarding of funding required the unanimous consent of the Governor, Lieutenant Governor and Speaker of the House of Representatives, following a review and recommendation by a 17-member advisory committee.

The TETF provided awards in the form of equity, convertible debt, grants, and other forms of contribution or investment, as recommended by the committee and approved by the trustees. Awards were made in three categories:

- Incentives for Commercialization Activities Awards (Subchapter D) provided seed funding to bring new or enhanced technology from the lab to the marketplace;
- Research Award Matching Awards (Subchapter E) provided funds to create public-private partnerships to leverage additional, non-state appropriated funding, including federal, private and industry dollars;
- Acquisition of Research Superiority Awards (Subchapter F) provided funds to bring the best and brightest researchers with commercialization experience to Texas.

The TETF also supported Regional Centers of Innovation and Commercialization (RCIC), which were established to provide research and development assistance for their specified regions, along with incubation services and workforce training to businesses resulting from research and development activities. RCICs assisted potential TETF applicants by providing guidance on the program's criteria and application process. The TETF required that applicants for Subchapter D, Incentives for Commercialization Activities, receive an RCIC recommendation prior to submitting their application to the TETF.

The Texas Legislature required the Office of the Governor to provide an annual report for the TEFT. This report contains information about awards and the performance of the program, including:

1. The number and amount of awards, both the total and by category;
2. The aggregate total of private sector investment, federal government funding and contributions received in connection with the awards;
3. The name and award amount for each recipient;
4. A description of equity positions taken with award recipients;
5. The total number of jobs created by each project, along with an analysis of the jobs and brief description of how the information was collected;

6. The intended and actual outcomes for projects funded under Subchapter D, along with the financial impact on the state resulting from any liquidity event;

7. The value of the equity positions taken by the Office of the Governor; and

8. Award locations and technology sectors.

FISCAL YEAR 2014

In Fiscal Year 2014, the Emerging Technology Fund made 13 awards totaling $12,275,000. The following table summarizes the distribution of awards by category:

Subchapter	Projects (#)	Total awarded ($)
Subchapter D Commercialization	4	6,250,000
Regional Centers/Consortiums	6	2,625,000
Subchapter E Research Matching	3	3,400,000
Subchapter F Research Superiority	0	0
Total	**13**	**12,275,000**

Fiscal Year 2014 awards represent approximately 6.5 percent of the total program activity to date.

RECOMMENDATIONS

After a careful study of the Emerging Technology Fund and other key economic development programs, the Governor proposes the following changes:

1. Close the Emerging Technology Fund;

2. From the unexpended balances in the TETF, reallocate 50 percent to the Texas Enterprise Fund to enhance the state's ability to recruit and retain business;

3. From the unexpended balances in the TETF, reallocate 50 percent to the Higher Education Coordinating Board, to fund the Governor's University Research Initiative, which would help fund the recruitment of Nobel Laureates and Members of the National Academy (or equivalent) to Texas public universities. This fund would be available to all Texas public colleges and universities to fund one-time start-up costs associated with recruiting nationally recognized academic talent to a public institution of higher education in Texas. The program would require a 1:1 match between a participating higher education

institution and the THECB, and would not be available to fund recruiting from one Texas public university to another; and

4. Transfer the TETF's existing portfolio of investments to the Texas Treasury Safekeeping Trust Company to provide professional funds management to maximize returns to the State. The costs for this management would be covered by the returns to the investment portfolio.

These changes would enhance the State's ability to recruit top academic researchers, which benefit not only public universities, but also serve as catalysts for economic development. Thus, the Governor is confident implementing these changes would strengthen the state's competitive advantage for business recruitment/retention and job creation. These changes would also maintain the state's potential to realize returns from existing Emerging Technology Fund Investments.

The Governor's Office recognizes the significant contribution that the leadership offices, advisory committee and the RCICs have made to the development, implementation, and operation of the Emerging Technology Fund and looks forward to working with them to transition the Fund through the next stages.

AGGREGATE AWARD NUMBERS AND FOLLOW-ON FUNDING TOTALS

Subchapter	Projects (#)	Total awarded ($)	Follow-on funding ($)
Subchapter D Commercialization	144	204,340,584	1,522,154,658
Regional Centers/Consortiums	14	12,231,947	11,059,604
Subchapter E Research Matching	17	126,962,629	484,752,622
Subchapter F Research Superiority	22	90,006,151	850,993,252
Total	**197**	**433,541,311**	**2,868,960,135**

VALUATION OF THE STATE'S EQUITY POSITION AND OUTSTANDING LOANS

Texas Government Code Section 490.006 requires the Office of the Governor to perform an annual valuation of the equity positions TETF takes in companies. TETF holds equity, secured convertible debt and mortgage loans.

Equity: Warrants, options, and common or preferred shares are valued using the fair value method. Privately held equities are first valued on the most recent third party transaction, second on the valuation of comparable securities and third on the evaluation of fair value using net present value of future cash streams. Subsequent events are considered and used in determining fair value. Publically-traded equities are valued based on the trading price on August 31, 2013.

Convertible debt: Notes or investment units are valued as conventional convertible debt. Impaired notes are valued based on evaluation of the potential for and source of repayment. If the source of loan repayment is estimated to be liquidation of collateral, the value is based on the estimated salvage value of the collateral, minus liquidation costs. Impaired notes without collateral or without salvage value are valued at zero.

Mortgage loans: Loans are valued based on evaluation of the potential for and source of repayment, generally the value of the underlying collateral.

Funds disbursed related to equity and loans since the inception of the fund total $230,496,585. This means the total funds distributed to entities resulting in TETF receiving equity, warrants, options or convertible debt. The award amount shown in the tables reports the total amount awarded as required by the legislation. The State has the ability to not disburse a full award, and to amend the award amount.

The estimated fair value of equity and loans for the TETF as of August 31, 2014, is $258,770,738. Fair value of equity and loans means the fair value as of August 31, 2014, as determined using Private Equity and Venture Capital Valuation Guidelines published December 2012 and endorsed by the National Venture Capital Association Link. Per GAAP, Government Accounting Standards Board, the cost basis value of equity and loans is $177,120,885 as of 8/31/14. The valuation of the fund can and will change depending upon market conditions.

SUBCHAPTER D: INCENTIVES FOR COMMERCIALIZATION AWARDS

Incentives for Commercialization Activities Awards, established in Texas Government Code 490 Subchapter D, provided seed funding to bring new or enhanced technology from the lab to the marketplace. To be eligible for an incentive award, there must have been a strong collaboration between the company and an institution of higher education, as defined by the Texas Higher Education Coordinating Board. In addition, for the purposes of the TETF, the National Aeronautics and Space Administration's Lyndon B. Johnson Space Center was included in the definition of research institution to qualify as an eligible collaborative partner[1]. The program focused on expediting innovation and commercialization of late-stage or applied research developed at these institutes. After contracting, the total investment is contingent on specific contractual terms as well as continued compliance with the terms of the award agreement.

The number of jobs created was derived from reports provided by and direct communication with each awardee, and reflects the actual number of jobs at each company as of August 31, 2014.

SUBCHAPTER D: RECIPIENT INFORMATION

Award recipient	Award amount ($)	Award date	University collaboration	Industry cluster	Region	Jobs 8/31/14
1st Detect Corporation[1]	1,800,000	3/30/2010	UNT	Aerospace & Defense	Central	21
21-Century Silicon, Inc.[2]	3,500,000	1/30/2009	UT Dallas	Energy	North	N/A
2cimple, Inc.	1,500,000	6/1/2009	UT Dallas	Computer & IT	North	4
ActaCell, Inc. (Merger w/ Contour Energy System, Inc.)[1,2]	1,000,000	10/5/2009	UT Austin	Energy	Central	N/A
Admittance Technologies, Inc.	1,965,235	10/11/2012	UTHSC San Antonio	Biotechnology & Life Science	South	5
Advanced Receiver Technologies, Inc.[2]	250,000	10/2/2009	UT Dallas	Computer & IT	North	N/A
Advitech, Inc.[2]	2,500,000	3/24/2009	MD Anderson	Aerospace & Defense	South	N/A
AgileMesh, Inc.	2,000,000	5/25/2010	UT Dallas	Aerospace & Defense	North	7
Alafair, Inc.	2,000,000	3/26/2014	UT Austin	Biotechnology & Life Science	Central	7
Analogix Development Corporation (dba Axelo, Inc.)	250,000	12/19/2008	UT Austin	Computer & IT	Central	3
Animal Innovations, Inc.[3]	1,000,000	11/12/2008	TAMU	Biotechnology & Life Science	West	1
Apaxis Medical, Inc.	600,000	6/8/2009	Rice	Biotechnology & Life Science	Gulf Coast	0
AuricX Pharmaceuticals, Inc.	250,000	12/3/2010	MD Anderson	Biotechnology & Life Science	Gulf Coast	1
Azaya Therapeutics, Inc.	1,045,000	7/28/2009	UTHSC San Antonio	Biotechnology & Life Science	South	13
Bauhaus Software, Inc.[2]	500,000	7/5/2006	UT San Antonio	Computer & IT	South	N/A

[1] Texas Government Code Sec. §§ 490.001(5)(b)

Award recipient	Award amount ($)	Award date	University collaboration	Industry cluster	Region	Jobs 8/31/14
Bellicum Pharmaceuticals, Inc. (IPO)	1,450,000	9/27/2007	Baylor College of Medicine	Biotechnology & Life Science	Gulf Coast	30
BetaBatt, Inc.[2]	500,000	6/20/2008	Rice	Energy	Gulf Coast	N/A
Bi02 Medical, Inc.	1,000,000	11/12/2008	UTHSC San Antonio	Biotechnology & Life Science	South	22
Biscotti, Inc. (fka Wham!, Inc.)	1,000,000	2/25/2009	UT Dallas	Computer & IT	North	5
Blue Box Health, Inc.	250,000	8/13/2010	University of Houston	Biotechnology & Life Science	Gulf Coast	0
Bynari, Inc.[3]	1,500,000	6/2/2009	UT Arlington	Computer & IT	North	2
Calxeda, Inc. (fka Smooth-Stone, Inc.)[2]	1,000,000	7/1/2009	UT Austin	Advanced Tech. Manufacturing	Central	0
CardioSpectra, Inc. (Purchased by Volcano Corp.) [1]	1,350,000	5/25/2006	UTHSC San Antonio	Biotechnology & Life Science	South	++
Castle Biosciences, Inc. [1]	1,000,000	3/11/2009	MD Anderson	Biotechnology & Life Science	Gulf Coast	22
Chipotle Business Group, Inc.	1,000,000	2/2/2009	UT Arlington	Biotechnology & Life Science	North	3
Cirasys, Inc.	1,000,000	7/16/2012	UT Dallas	Advanced Tech. Manufacturing	North	4
Corhythm, Inc.[4]	3,113,000	10/1/2010	UTSA & UTHSC San Antonio	Biotechnology & Life Science	South	2
CorInnova, Inc.	500,000	5/31/2006	TAMU	Biotechnology & Life Science	Gulf Coast	3
Cormedics Corporation	750,000	9/18/2008	UT Austin	Biotechnology & Life Science	Gulf Coast	0
CryoPen, Inc.	2,000,000	8/6/2008	UTHSC Houston	Biotechnology & Life Science	South	16
DataInfoCom USA, Inc. (dba Ayata, Inc.)	1,600,000	7/12/2010	UT Austin	Computer & IT	North	8
DentLight, Inc.	250,000	7/7/2008	UTHSC San Antonio	Biotechnology & Life Science	North	3
DEP Shape Memory Therapeutics, Inc.	1,000,000	8/3/2009	TAMU	Biotechnology & Life Science	Gulf Coast	6
DeviceFidelity, Inc. (merger w/ Kili Technology Corp.)	3,000,000	10/7/2009	UT Dallas	Computer & IT	North	14
Diabetica Solutions, Inc.[2]	1,000,000	5/25/2006	UT San Antonio	Biotechnology & Life Science	South	N/A
DNAtrix, Inc.[1]	500,000	12/1/2008	MD Anderson	Biotechnology & Life Science	Gulf Coast	14
Endothelix, Inc.	1,000,000	7/18/2006	UTHSC Houston	Biotechnology & Life Science	Gulf Coast	20
Ensyce Biosciences, Inc.	950,000	6/1/2010	Rice	Biotechnology & Life Science	Gulf Coast	7
Enthuze, Inc.	1,650,000	2/18/2009	UT Austin	Computer & IT	South	2
Environmental Quality Management Associates (EQMA), Inc.	250,000	11/4/2008	TAMU	Energy	North	2
Falcon International, Inc.[2]	850,000	10/23/2007	UT Permian Basin	Aerospace & Defense	West	N/A
Faradox Energy Storage, Inc. [2]	1,000,000	10/30/2008	Texas State	Advanced Tech. & Manufacturing	Central	N/A

Award recipient	Award amount ($)	Award date	University collaboration	Industry cluster	Region	Jobs 8/31/14
Fe3 Medical, Inc.[4]	2,841,000	10/1/2010	UTSA & UTHSC San Antonio	Biotechnology & Life Science	South	2
FibeRio Technology Corporation	2,250,000	8/24/2010 2/18/2013	UT Pan American	Advanced Tech. Manufacturing	Tropical	40
Firefly LED Lighting, Inc.[1] (acquired by Pruf LED, LLC)	3,000,000	11/23/2010	UT Austin	Energy	Central	N/A
Genprex, Inc.	4,500,000	8/13/2010	MD Anderson	Biotechnology & Life Science	Central	10
Gradalis, Inc.	1,750,000	2/19/2009	TAMU	Biotechnology & Life Science	North	30
Halsa Pharmaceuticals, Inc.	1,000,000	12/19/2007	TAMU	Biotechnology & Life Science	Gulf Coast	1
Hanson Robotics, Inc.	1,500,000	10/18/2006	UT Arlington	Advanced Tech. Manufacturing	North	5
HeatGenie, Inc.	1,000,000	11/5/2008	UT Austin	Advanced Tech. Manufacturing	Central	6
HydroLogic Industries, Inc.[1]	340,000	4/11/2013	UT El Paso	Advanced Tech. Manufacturing	Trans Pecos	3
Ideal Power Converters, Inc. (IPO) [1]	1,000,000	10/1/2010	UT Austin	Energy	Central	7
iLearning Gateway, Inc.	500,000	8/7/2009	UT Arlington	Computer & IT	North	3
Image Trends, Inc.	1,000,000	5/15/2008	UT Austin	Computer & IT	Central	7
Interoperate.biz, Inc.	1,000,000	7/9/2009	UT Dallas	Computer & IT	North	5
InView Technology Corporation	1,500,000	8/24/2010	Rice	Computer & IT	Central	3
Iridescent Networks, Inc.	250,000	7/19/2010	UT Dallas	Computer & IT	North	3
itRobotics, Inc.	750,000	7/5/2006	Rice	Advanced Tech. Manufacturing	Gulf Coast	12
J.C. Lads Corporation (dba Biometric Signature ID)	550,000	10/6/2010	UT System	Computer & IT	North	8
KLD Energy Technologies, Inc.	2,800,000	12/3/2010	UT Austin	Energy	Central	42
Laser Tissue Welding, Inc.	160,000	7/31/2007	Baylor College of Medicine	Biotechnology & Life Science	Gulf Coast	3
Lasergen, Inc.	1,000,000	9/16/2009	Baylor	Biotechnology & Life Science	Gulf Coast	23
Leonardo Biosystems, Inc.[2]	2,500,000	4/15/2010	UTHSC Houston	Biotechnology & Life Science	Gulf Coast	1
MacuCLEAR, Inc.	1,700,000	4/20/2009	TAMU	Biotechnology & Life Science	North	3
Mayan Pigments, Inc.	750,000	7/25/2008	UT El Paso	Advanced Tech. Manufacturing	Trans Pecos	0
Merkatum Corporation[3]	1,000,000	11/10/2008	UT Austin	Computer & IT	Central	2
MicroTransponder, Inc.	1,380,000	2/19/2008	UT Dallas	Biotechnology & Life Science	North	15
MicroZap, Inc.	1,500,000	4/30/2010	Texas Tech	Biotechnology & Life Science	West	7
Minimus Spine, Inc.	1,750,000	11/19/2013	TAMU	Biotechnology & Life Science	Central	3
Mirna Therapeutics, Inc.[1]	5,000,000	11/11/2009	MD Anderson & UT Austin	Biotechnology & Life Science	Central	23

Award recipient	Award amount ($)	Award date	University collaboration	Industry cluster	Region	Jobs 8/31/14
Modria, Inc.	500,000	12/1/2008	UT Dallas	Computer & IT	North	3
Molecular Imprints, Inc. (Purchased by Cannon, Inc.)[1]	3,000,000	5/30/2006	UT Austin	Advanced Tech. Manufacturing	Central	76
Molecular LogiX, Inc.[3]	794,520	3/20/2007	Baylor College of Medicine	Biotechnology & Life Science	Gulf Coast	0
Monebo Technologies, Inc.	500,000	10/23/2006	UT Austin	Biotechnology & Life Science	Central	2
Mystic Pharmaceuticals, Inc.	1,568,000	4/21/2009	UTMB	Biotechnology & Life Science	Central	8
Nano3D Biosciences, Inc.	1,000,000	5/20/2010	Rice	Biotechnology & Life Science	Gulf Coast	7
NanoComposites, Inc.[2]	1,500,000	9/20/2006	Rice	Advanced Tech. Manufacturing	Gulf Coast	N/A
NanoCoolers, Inc.[2]	3,000,000	3/5/2007	UT Austin	Advanced Tech. Manufacturing	Central	N/A
NanoMedical Systems, Inc.	3,500,000	9/30/2008	UTHSC Houston	Biotechnology & Life Science	Central	12
Nanospectra Biosciences, Inc.	1,250,000	6/12/2006	Rice	Biotechnology & Life Science	Gulf Coast	5
NanoTailor, Inc.[2]	250,000	3/16/2010	Texas State	Advanced Tech. Manufacturing	Central	N/A
Net Watch Solutions, Inc.[2]	500,000	3/25/2008	UT Dallas	Computer & IT	North	N/A
Net.Orange, Inc. (Merged with NantHealth, LLC)	1,900,000	7/30/2009	UT Southwestern Med Center	Computer & IT	North	76
Netcordant, Inc. (fka Codekko Software, Inc.)	1,500,000	7/3/2008	UT Dallas	Computer & IT	North	2
Neuro Resource Group, Inc.	1,500,000	7/1/2010	UT Arlington	Biotechnology & Life Science	North	19
Neurolink, Inc.[4]	3,234,000	10/1/2010	UTSA & UTHSC San Antonio	Biotechnology & Life Science	South	2
Noninvasix, Inc.	250,000	4/8/2009	UTMB	Biotechnology & Life Science	Gulf Coast	1
Oncolix, Inc.	3,900,000	10/1/2010 8/15/2014	MD Anderson	Biotechnology & Life Science	Gulf Coast	5
OnTrack Imaging, Inc.	250,000	10/7/2009	TAMU	Biotechnology & Life Science	North	0
OptiSense Network, LLC.[2]	1,500,000	3/5/2007	UT Arlington	Energy	North	N/A
Ortho Kinematics, Inc.	1,500,000	5/8/2009	UT Austin	Biotechnology & Life Science	North	18
OrthoAccel Technologies, Inc.	750,000	10/26/2007	UT Dallas	Biotechnology & Life Science	Gulf Coast	44
Palmaz Scientific, Inc.	3,000,000	4/15/2010	UTHSC San Antonio	Biotechnology & Life Science	South	5
Patton Surgical Corporation (Purchased by Stryker Corporation)[1,5]	3,000,000	9/4/2009	UT Austin	Biotechnology & Life Science	Central	7
Photodigm, Inc.	749,829	4/26/2007	UT Dallas	Advanced Tech. Manufacturing	North	16
Photon8, Inc.	1,000,000	11/13/2009	UT Brownsville & TAMU Corpus Christi	Energy	Tropical	0

Award recipient	Award amount ($)	Award date	University collaboration	Industry cluster	Region	Jobs 8/31/14
PLx Pharma, LLC.	2,000,000	3/27/2007	UTHSC Houston	Biotechnology & Life Science	Gulf Coast	8
PrincipleSoft, Inc.	750,000	6/13/2007	UT Dallas	Computer & IT	North	0
Procyrion, Inc.	1,500,000	12/6/2012	TAMU	Biotechnology & Life Science	Gulf Coast	6
Pronucleotein Biotechnologies Corporation	1,000,000	2/18/2009	UT Pan American	Biotechnology & Life Science	South	3
Pulmotect, Inc.	1,000,000	6/8/2009	MD Anderson	Biotechnology & Life Science	Gulf Coast	3
Qcue, Inc.	1,000,000	10/20/2009	UT Austin	Computer & IT	Gulf Coast	12
Quantum Logic Devices, Inc.	600,000	3/27/2007	UT Austin	Advanced Tech. Manufacturing	Central	0
RadioMedix, Inc.	2,800,000	11/23/2010	MD Anderson	Biotechnology & Life Science	Central	6
Rebellion Photonics, Inc. [1,5]	625,000	6/21/2012	Rice	Advanced Tech. Manufacturing	Gulf Coast	8
Receptor Logic, Inc.	2,000,000	6/16/2008	Texas Tech	Biotechnology & Life Science	West	2
Resonant Sensors, Inc.	600,000	5/18/2007	UT Arlington	Biotechnology & Life Science	North	7
RFMicron, Inc.	925,000	5/22/2008	UT Austin	Advanced Tech. Manufacturing	Central	12
Salient Pharmaceuticals, Inc.	2,000,000	12/14/2009	MD Anderson	Biotechnology & Life Science	Gulf Coast	1
Savara, Inc.	1,900,000	6/1/2010	UT Austin	Biotechnology & Life Science	Central	6
ScanTech Sciences, Inc.	2,000,000	7/9/2009	TAMU	Advanced Tech. Manufacturing	Tropical Texas	5
Secure Origins, Inc.	2,000,000	7/5/2007	UT El Paso	Computer & IT	Trans Pecos	6
Seno Medical Instruments, Inc.	2,000,000	7/19/2007	UTHSC San Antonio	Biotechnology & Life Science	South	61
SeprOx Corporation[2]	750,000	2/17/2009	University of Houston	Biotechnology & Life Science	Gulf Coast	N/A
Smart Imaging Technologies Corporation	1,000,000	12/31/2008	TAMU	Computer & IT	Gulf Coast	1
Smartfield, Inc.	750,000	1/6/2010	Texas Tech	Biotechnology & Life Science	West	11
SNRLabs Corporation (Purchased by to SEVEN Networks, Inc.) [1]	750,000	9/26/2007	UT Dallas	Computer & IT	North	++
SolarBridge Technologies, Inc. (acquired by SunPower Corp.)[1]	1,500,000	12/30/2009	UT Austin	Energy	Central	74
Solarno, Inc.	250,000	3/1/2009	UT Dallas	Energy	North	4
Speer Medical Devices, Inc. [2]	2,500,000	3/31/2011	UT San Antonio	Biotechnology & Life Science	South	N/A
StarVision Technologies, Inc.[2]	750,000	10/30/2007	TAMU	Aerospace & Defense	Gulf Coast	N/A
Stellarray, Inc.	750,000	7/17/2008	TAMU	Advanced Tech. Manufacturing	Central	10
Sunrise Ridge Algae, Inc. [2]	250,000	7/24/2008	UT Austin	Energy	Central	N/A
Syndiant, Inc.	3,500,000	2/20/2009	UT Dallas	Advanced Tech. Manufacturing	North	26

Award recipient	Award amount ($)	Award date	University collaboration	Industry cluster	Region	Jobs 8/31/14
Targazyme, Inc. (fka America Stem Cell, Inc.)[1]	1,250,000	5/27/2009	MD Anderson	Biotechnology & Life Science	South	1
Telemedicine Up Close, Inc. (dba DxUpClose)	1,500,000	3/12/2013	Texas State University & TAMU	Biotechnology & Life Science	Central	19
Terapio Corporation	2,700,000	7/21/2008 12/12/2013	UT Arlington & UNTHSC	Biotechnology & Life Science	Central	3
Terrabon, Inc. [2]	2,750,000	7/12/2010	TAMU	Energy	Tropical	N/A
Texas MicroPower, Inc.	750,000	2/15/2008	UT Arlington	Energy	North	1
ThromboVision, Inc.[2]	1,500,000	7/5/2007	TAMU Commerce	Biotechnology & Life Science	Gulf Coast	N/A
Turbo Trac USA, Inc.[2]	2,000,000	8/24/2009	UT Permian Basin	Energy	West	N/A
TXL Group, Inc.	500,000	2/4/2008	UT El Paso	Energy	Trans Pecos	4
Vapogenix, Inc.	2,000,000	6/15/2012	MD Anderson	Biotechnology & Life Science	Gulf Coast	10
Varaha Systems, Inc[2]	1,500,000	8/14/2009	UT Arlington	Computer & IT	North	N/A
Veros Systems, Inc.	1,500,000	6/14/2010	TAMU	Computer & IT	Central	15
ViroXis Corporation	2,500,000	10/1/2010	UTSA & UTHSC San Antonio	Biotechnology & Life Science	South	9
Visualase, Inc.(Purchased by Medtronic)[1]	750,000	8/9/2007	MD Anderson	Biotechnology & Life Science	Gulf Coast	++
Vital Art & Science, Inc.	1,000,000	6/7/2011	UT Southwestern Med Center & UNTHSC	Biotechnology & Life Science	North	12
VUV Analytics, Inc.	1,000,000	6/15/2012	UT Austin & UT Arlington	Biotechnology & Life Science	Central	8
Xeris Pharmaceuticals, Inc. [1]	1,900,000	12/20/2012	UT Austin & UTHSC San Antonio	Biotechnology & Life Science	Central	9
Xitronix Corporation	500,000	1/17/2008	UT Austin	Advanced Tech. Manufacturing	Central	3
Xtreme Power, Inc.[2,5]	2,000,000	3/27/2007	UT Austin	Energy	Central	60
Yasakawa Innovation, Inc. (fka Agile Planet, Inc., Merger with Yaskawa America, Inc.)	1,000,000	4/2/2009	UT Austin	Advanced Tech. Manufacturing	Central	7
ZS Pharma, Inc. (IPO)[1]	2,000,000	8/13/2010	UNTHSC	Biotechnology & Life Science	North	67
Total:	**204,340,584**					**1322**

Notes:

++Due to expiration of the agreement, acquisition or other exit, jobs are not reported and are underreported.

[1]Company has ended ETF award agreement. See Actual Outcome for Details.

[2]Company has ceased operations.

[3]Company is in process of ceasing operations.

[4]Jobs number for FY2014 are based on an aggregate of 6 jobs created in Texas to support Corhythm, Fe3 Medical and Neurolink.

[5]Company is no longer required to report. Jobs numbers were collected with assistance from the Texas Workforce Commission from InfoGroup®, a US Department of Labor contractor

SUBCHAPTER D: PROJECT DESCRIPTIONS

1st Detect Corporation – Investment Unit

Intended outcome: Commercialization of miniaturized chemical detectors.

Actual outcome: The company was awarded two key patents for operating a mass spectrometer ion trap used for chemical detection and identification. The company launched its first commercial product, the MMS-1000™, in March 2012. The company also expanded space, equipment and personnel in addition to accelerating marketing activities. In 2014, 1st Detect merged into Astrotech, and TETF received a return greater than the award amount, terminating the award agreement.

21-Century Silicon – Common Stock

Intended outcome: Commercialization of a proprietary furnace design to manufacture solar-grade polysilicon at a lesser cost of conventional methods.

Actual outcome: The company installed a furnace and demonstrated an ability to produce quantities of solar-grade silicon, but failed to commercialize. The Office of the Governor subsequently sent a letter demanding repayment of the disbursed award for failure to continue commercialization efforts. In 2013, The Office of the Governor referred the matter to the Texas Office of the Attorney General, and the debt was deemed uncollectable. The company has ceased operations.

2cimple, Inc. – Series Seed Preferred Stock

Intended outcome: Commercialization of interactive video systems.

Actual outcome: 2cimple completed the design and development of its interactive video advertising platform, including an analytics and reporting engine. Additionally, the company extended the platform across web, social and mobile apps. 2cimple's platform is in the process of being deployed with media companies and brands around the world. The company has continued to enhance the platform to support new interactive video advertising formats and ad units. Current products available are: Dynamic Canvas, Games/Lead Generation, Shoppable Video and Shoppable Image.

ActaCell, Inc. – Contour Energy Systems Series C Preferred Stock

Intended outcome: Commercialization of a Li-Ion manganese spinel battery.

Actual outcome: In June 2012, the company merged with Contour Energy Systems, Inc. of Azusa, California. ActaCell's role in the combined entity was to continue to focus on rechargeable Li-Ion solutions that leverage its existing technologies. The Office of the Governor held equity in Contour Energy Systems. In 2014, ActaCell filed for bankruptcy. TETF worked with the company to transfer assets to a state agency.

Admittance Technologies, Inc. – Secured Convertible Promissory Note

Intended outcome: Commercialization of CardioVol™, an innovative electrical admittance technology to detect heart failure and provide therapy.

Actual outcome: The company has completed pre-clinical animal studies with good results for both safety and effectiveness. Results of the studies were presented to the American Heart Association. The company is preparing for its first-in-human pilot study. Human data will allow Admittance to license or sell CardioVol™ to

one of the large cardiovascular companies. Alternately, joint research with a cardiovascular company would also be an option.

Advanced Receiver Technologies, Inc. – Investment Unit

Intended outcome: Commercialization of a Single Antenna Interference Cancellation using Joint Detection (SAIC-JD) baseband chip for cellular devices.

Actual outcome: The company tested a fully operational, real-time, three-base station SAIC-JD receiver and demonstrated that it could provide performance improvement. The company failed to pursue commercialization of the device, and TETF did not disburse the full award to the company. The Office of the Governor referred the matter to the Texas Office of the Attorney General. In 2013, the debt was deemed uncollectible. The company has ceased operations.

Advitech, Inc. – Common Stock

Intended outcome: Commercialization of technology to combat spatial disorientation and motion sickness.

Actual outcome: The company successfully completed flight testing and prototype evaluations of its technology to treat spatial disorientation, vertigo and motion sickness. The company sold two systems to the U.S. Air Force. In 2013, three members of the management team came under investigation for embezzlement. The company has ceased operations. Currently, the company is seeking to license its technology.

AgileMesh, Inc. – Investment Unit

Intended outcome: Commercialization of a wireless mesh-networking surveillance system.

Actual outcome: The company continues to position itself as the primary manufacture of rapidly deployable wireless surveillance products for the first responder market. It has over 150 customers nationwide, and has increased its international reach by participating in defense and security related trade shows in the UK and Europe. It continues to work with its Saudi Arabian reseller to move to Phase 2 of a project that will add development funding for a more ruggedized implementation of the current technology and lead to increased military-related sales. AgileMesh has also increased activity with its Singapore reseller. The company is enhancing features of current products, and incorporating them into ongoing proposals to differentiate its products from competitors. As the sales pipeline continues, the company is projecting increased revenues for 2014. Additionally, AgileMesh is preparing for a Series B round of funding to support domestic and international marketing and development of new products aimed at school safety and the oil and gas market.

Alafair, Inc. – Investment Unit

Intended outcome: Commercialization of its anti-adhesion membrane technology.

Actual outcome: The company had two patents issued by the USPTO in early 2014. Additionally, the company finalized the formulation of its initial tendon repair and support product. A naming scheme for the product platform was selected and is currently passing through trademark screening. The company identified a Texas-based manufacturer, and has initiated a relationship with them. Alafair is preparing to embark upon a critical animal model, which, if successful, will allow the company to apply for 510(k) FDA regulatory approval in mid to late 2015. Its product pipeline is evolving, and the company is in the process of exploring the deployment of its patented technology in additional indications.

Analogix Development Corporation (dba Axelo, Inc.) – Common Stock

Intended outcome: Commercialization of 3D game controller technology.

Actual outcome: Axelo obtained its patent, produced the planned production quantity of 3D game controllers, and initiated field testing and marketing activities. Axelo generated revenue from its game controller and refocused its efforts on advanced 3D motion sensing technology for health care and sports applications. Axelo is developing a modular solution for the prevention of impact induced injuries in team sports, specifically football. The company has designed and is prototyping a wearable module that will detect impact magnitudes and their frequency while monitoring the athlete's performance variation, post-impacts. The company is miniaturizing the electronics, to be embedded in a custom-fit mouth guard for a generation of additional impact parameters related to the linear and rotational accelerations of the cranial cavity. Axelo is also further developing the technology and IP for motion sickness and spatial disorientation for future VOR application in the pre-game assessment of health status and coordination of athletes as a benchmark for post-game re-evaluation. Axelo is working on the hardware prototype in order to develop the needed algorithms and firmware implementation. Both impact detection module and VOR application will be components of an integrated system for continuous health status and performance assessment for the implementation of preventive measures addressing impact induced injuries to the brain. Axelo plans to field test its technology in a pilot program with schools during the 2015 football season.

Animal Innovations, Inc. – Series B Convertible Preferred Stock

Intended outcome: Commercialization of animal injection technology.

Actual outcome: The company's product performed well in actual feed yard use, and with no issue under various other conditions. Unfortunately the drought, high feed prices and other factors hit the primary customer group, feed yards, and reduced interest in the company's product. As a result, the company has discontinued active operations. TETF and the company are planning a potential licensing and marketing project for the company's intellectual property.

Apaxis Medical, Inc. – Common Stock

Intended outcome: Commercialization of new surgical tools.

Actual outcome: Apaxis completed two chronic animal studies to evaluate the automated surgical connector, and has continued the development and testing of its surgical tools, EasyApex CV and ApiCor. The company is managing its intellectual property portfolio by prosecuting US patents it had obtained. Several international patents were issued to Apaxis during 2014. Furthermore, the company is seeking a strategic partner to monetize the proprietary products.

AuricX Pharmaceuticals, Inc. – Investment Unit

Intended outcome: Commercialization of new anti-infectives to treat infections arising from *Staphylococcus aureus* and Methicillin-Resistant *Staphylococcus aureus*.

Actual outcome: The TETF funding enabled AuricX to initiate and complete the synthesis of BPH-652 and initiate the *in vitro* proof-of-concept studies. The company established a relationship with the MD Anderson Cancer Center Translational Chemistry Core Facility to complete the first round of drug synthesis. The company is working with world-class chemist, Dr. William Bornmann, to develop a commercial-scale manufacturing process for BPH-652. The company has submitted a Pre-Investigational New Drug application package to the FDA.

Azaya Therapeutics, Inc. – Series D Preferred Stock

Intended outcome: Commercialization of differentiated oncology drug products based on a nano-delivery technology.

Actual outcome: The company's lead product, AT-1123, is a new formulation of a marketed product, Taxotere® (docetaxel), that is approved for use in breast, lung, prostate and stomach cancers, as well as cancers of the head and neck. Protocols for a Phase 2 study of ATI-1123 is complete for Non-Small Cell Lung cancer. The company has a collaboration with CANBridge Life Science in Beijing, China to develop ATI-1123 for use in China, Taiwan and South Korea. The company also filed an Investigational New Drug application with the FDA on an emerging drug formulation. The study was conducted at the Mary Crowley Cancer Center in Dallas and the Cancer Therapy and Research Center at the University of Texas Health Science Center at San Antonio. This year, the company completed a Bioequivalency (BE) clinical trial of ATI-0918 vs. DOXIL in the USA, Canada and Ukraine with positive results. The company is now moving to commercialize ATI-0198 with Hospira, Inc. as it global distribution partner.

Bauhaus Software, Inc. – Warrant

Intended outcome: Commercialization of Mirage™, disruptive software for the animation industry.

Actual outcome: The company launched Mytoons.com publicly after four months of private testing in March 2007. After some initial success, Mytoons.com did not generate sufficient revenue to continue operations and the web site closed in 2009. The company has ceased operations.

Bellicum Pharmaceuticals, Inc. – Warrant (NASDAQ: BLCM)

Intended outcome: Commercialization of next generation therapeutic vaccines and other immunotherapeutic approaches for the treatment of cancer, including lead product BP-GMAX-CD1.

Actual outcome: The company is focused on discovering and developing novel cellular immunotherapies for various forms of cancer, including both hematological and solid tumors, as well as orphan inherited blood disorders. Bellicum has five products in its pipeline, all in various stages of clinical and pre-clinical trials. Its lead product candidate, BPX-501, is an adjunct T-cell therapy administered after allogeneic hematopoietic stem cell transplantation, and is currently being evaluated in multiple Phase 1/2 clinical trials. The product BPX-201 is a dendritic cell cancer vaccine in a Phase 1 clinical trial for the treatment of metastatic castrate-resistant prostate cancer, targeting the prostate-specific membrane antigen, or PSMA. Subsequent to the date of the report, Bellicum announced an Initial Public Offering on December 18, 2014 that raised $139.65M.

BetaBatt, Inc. – Common Stock

Intended outcome: Commercialization of the BetaBattery™, a long-life, self-recharging battery.

Actual outcome: The company obtained exclusive licensing rights to both betavoltaic and photovoltaic technology aspects from the University of Rochester. The company failed to demonstrate continued commercialization efforts and failed to provide the required compliance reports. In 2011, the Office of the Governor demanded repayment of the disbursed award. The company has ceased operations.

Bi02 Medical, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of "Angel"® IVC filter.

Actual outcome: The company has obtained a CE Mark for the Angel® Catheter, allowing sales of the product in the European Union. Bi02 Medical is marketing the Angel® Catheter in the UK, Germany, Switzerland, Poland, Greece, Australia, New Zealand, Israel, Italy, Austria, Hungary, Slovenia, Croatia, and Bosnia. The company plans to soon expand into other geographies where it has regulatory clearance to sell the product. Bi02 has completed a Post Market Clinical Follow-up study in Europe, and received an IDE from the FDA to conduct a pivotal study with prophylactic indication in the US. Preparations, including Clinical Trial Agreements with four Texas medical centers, are proceeding so the company can begin this study in early 2015. Bi02 anticipates completing the study and receiving 510(k) clearance in 2017.

Biscotti, Inc. (fka Wham!, Inc.) – Series A Preferred and Common Stock

Intended outcome: Commercialization of a wireless video communication device.

Actual outcome: Biscotti designs, builds and markets high-definition video calling cameras and services for the home. The company has demonstrated the ability to capture, encode, transport, decode and display video in real time. Biscotti continues to develop and sell its video calling products for the home, and additional features and functionality have been added to the Biscotti camera for use with cloud services and to enable use of Biscotti cameras in networks operated by major telcos and MSOs.

Blue Box Health, Inc. - Investment Unit

Intended outcome: Commercialization of a device for home health monitoring of congestive heart failure.

Actual outcome: The company initiated a pilot program with a major hospital in 2012. The company developed a prototype product, BlueScale™; manufacturing of the product is in batch production with a Texas manufacturer. Testing is underway for the BlueScale™ in Ireland. Blue Box Health maintains research facilities at the University of Houston.

Bynari, Inc. – Common Stock

Intended outcome: Commercialization of a technology platform for messaging application integration.

Actual outcome: The company completed development, product expansion plans and launched its Bynari Collaboration Suite. The product is a cloud messaging solution for businesses, service providers and the original equipment manufacturer market. Bynari's platform enables interoperability for users without having to purchase an exchange server, is scalable in size and powers email and messaging systems in several countries. The company is in the process of ceasing operations.

Calxeda, Inc. (fka Smooth-Stone, Inc.) – Series A Preferred Stock

Intended outcome: Commercialization of system-on-a-chip technology and software for ultra-low-power servers.

Actual outcome: The company had greatly increased its staff and completed validation testing. It had also launched the EnergyCore™ ARM system for cloud servers, introduced the world's first ARM-based server microprocessor and had made significant progress on product designs, including the first bicycle-powered ARM server. Additionally, Calxeda had established a subsidiary and distributor network in Asia and had

joined the Linux Foundation. The company ceased operations, and subsequent to the date of this report, Silver Linings Systems, LLC announced it had acquired Calxeda's assets.

CardioSpectra, Inc. – Volcano Corporation Common Stock

Intended outcome: Commercialization of a fiber-optic optical coherence tomography (OCT) based cardiac catheter that will produce real-time, high resolution 360 degree images using a proprietary gas or liquid-driven mechanical spinning tip.

Actual outcome: Volcano Corp. acquired CardioSpectra in 2007 for $25 million in cash and an additional $38 million available upon the achievement of certain milestones, and integrated the OCT catheter into its proprietary imaging system. The state received returns greater than the TETF award amount. During FY2014, TETF sold its shares of Volcano Corp, and received and additional return to the fund.

Castle Biosciences, Inc. – Series C Preferred Stock

Intended outcome: To commercialization a biomarkers test for glioblastoma multiforme cancer.

Actual outcome: Castle Biosciences has developed its own technology and has six proprietary molecular diagnostic assays that are available for clinical use today. These test are for melanoma, esophageal cancer, uveal melanoma, thymic cancer, glioblastoma, and methylation profile of gliomas. The company's internally developed cutaneous melanoma test has proven to be a transformative product with revenue expected to double in 2014. The stability of the uveal melanoma test combined with the traction of the cutaneous melanoma test enabled successful completion of a Series E funding round of $11.8 million with 50% of new funds having closed in August 2014, and the remaining expected in February 2015. The company recently completed clinical validation of a test for predicting treatment response in esophageal cancer and is developing two additional tests. Subsequent to the date of this report, TETF and Castle Biosciences terminated the award agreement and TETF sold its shares of the company. TETF received a return greater than the award amount.

Chipotle Business Group, Inc. – Investment Unit

Intended outcome: Commercialization of a multiple simultaneous immunologic and reagent testing system.

Actual outcome: The company partnered with Dr. Sandy Dasgupta, UT Arlington Department of Chemistry and Biochemistry, and Dr. Aditya Das, UT Arlington Research Institute, on a National Science Foundation grant application to advance Dr. Dasgupta's portable arsenic instrument using cutting edge sensor technology. The collaborating partners were awarded approximately $200,000 and are nearly finished building the instrument that is based on a previous working prototype built by Dr. Dasgupta. The arsenic instrument will complement the company's product line of water testing instruments and consumables.

Cirasys, Inc. – Secured Convertible Promissory Note

Intended outcome: Commercialization of boost and buck-boost power converters in printed circuit board applications for midlevel voltage ranges.

Actual outcome: Cirasys has continued the development of its technology for specific market applications. The company was granted two patents by the USPTO and awarded a Phase 1 SBIR grant by the National Science Foundation. Cirasys developed 3 product lines: firmware for DSP-controlled buck converters for licensing in the telecom and data center market; a high performance 12-48v boost converter for the automotive audio market; and a unique "3-in-1" buck converter targeted initially at telecom and data centers, but applicable to other voltage and power ranges.

Corhythm, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of an implantable treatment for atrial fibrillation and chronic heart failure.

Actual outcome: Corhythm continued the development of their proprietary solid phase drug delivery system to the heart for the treatment of atrial fibrillation. Now in the device integration phase, the company has bench-tested and integrated subassemblies to optimize throughput, conserve energy, and attain high repetition rates of the drug delivery system components.

CorInnova, Inc. – Common Stock

Intended outcome: Commercialization of a purposeful, minimally invasive, non-blood contacting mechanical/physical heart therapy device.

Actual outcome: CorInnova has developed the CardiacSTAR™, a minimally invasive, direct-cardiac compression device that restores normal cardiac motion and increases cardiac output through the application of gentle pressure. The company has successfully manufactured prototypes of the device and recently completed regulatory and technical feasibility studies. CorInnova is working to complete final animal studies and to pursue first-in-human studies, to be followed by regulatory approval in Europe.

Cormedics Corporation – Series A Preferred Stock

Intended outcome: Commercialization of an intra-pericardial delivery device.

Actual outcome: Cormedics designed, prototyped and tested the final form of its PeriPort™ product and received a trademark. The company also filed additional patent applications and successfully raised funds. Cormedics is talking with companies regarding the PeriPort™ and an ancillary product. The company is currently raising additional funds to support completion of its FDA submission.

CryoPen, Inc. – Common Stock

Intended outcome: Commercialization of a cryosurgical medical device.

Actual outcome: The company completed the commercial design for manufacturing its cervical cancer prevention and treatment device and received FDA approval in 2011. CryoPen is expecting a NCI/NIH grant to develop a cryosurgical system that is better suited for third world country use for cervical cancer and pre-cancer preventions.

DataInfoCom USA, Inc. (dba Ayata, Inc.) – Investment Unit

Intended outcome: Commercialization of technology dedicated to helping companies predict and preempt upcoming issues in core business processes and key initiatives.

Actual outcome: Ayata has commercialized a software for prescriptive analytics with hybrid data to predict what will happen, when and why, and then prescribe how to take advantage of this predicted future without disrupting other priorities. The company has continued to experience success in the oil and gas industry. Ayata customers include EOG Resources, Chevron, Apache, Dell, Cisco, and Microsoft. Currently the 5th generation of Ayata's software is being developed, and Ayata has hired a Senior Vice President of Sales and Marketing and a Senior Vice President of Engineering. Ayata has 20 patents with 400+ claims on file with the USPTO.

DentLight, Inc. – Common Stock

Intended outcome: Commercialization of products FUSION II and Exam Light.

Actual outcome: In 2014, the company launched new products: FUSION 4.0 Curing Light, Nano 2S Loupe Light and Nano 2c Loupe Light to enhance its product performance and applications. These products are in addition to the multiple products DentLight already has available for use in dental and orthodontic offices and labs. The company continues to expand its market in the US and internationally, including recently expanding its international distributions in four more countries.

DEP Shape Memory Therapeutics, Inc. – Secured Convertible Promissory Note; Common Stock

Intended outcome: Commercialization of medical devices based on shape memory polymers to treat cerebral aneurysms.

Actual outcome: The company has increased its intellectual property portfolio to 13 issued and 14 pending patents, most extending beyond 2020. The company has conducted proof-of-concept preclinical studies and demonstrated safety, feasibility and biocompatibility showing healing with minimal inflammation. The company focused most of 2014 on fine tuning the device, putting in place a Quality System and preparing for animal trials. The company has added significant experience and talent to both the Board of Directors and Scientific Advisory Board for additional oversight as the company prepares for clinical trials.

DeviceFidelity, Inc. – Series C Preferred Stock

Intended outcome: Commercialize a secure microchip card.

Actual outcome: The company is a mobile payment solutions company with over 40 patents. In October 2013, the company announced that its next generation microSD product, called CredenSE, received a global letter of compliance for Visa payWave mobile payments. The company has customers utilizing the product in the US and internationally and has expanded applications for mobile payments, tag read/write and peer-to-peer information exchange, as well as the world's first multi-platform mobile wallet for the iPhone, Android and RIM devices. Isis chose DeviceFidelity's near-field communications (NFC) product to power the Isis Wallet, which was been approved for use by Visa and MasterCard. The AT&T Isis Wallet launched in January 2014 with DeviceFidelity's iPhone technology with a Verizon launched shortly after. Subsequent to the date of this report, the company announced a merger with Kili Technology Corporation of Toronto, Canada.

Diabetica Solutions, Inc. – Warrant

Intended outcome: Commercialization of a family of clinically-tested, proprietary medical device products for the diagnosis and prevention of foot-related problems in people with diabetes.

Actual outcome: The company reached agreements with contract manufacturers for the TempTouch™ thermometer, secured a second major customer and completed modifications on the GlideSoft insole. Company management presented TempTouch™ to the Center for Medicare and Medicaid Services for Medicare patient reimbursement but did not receive results. Subsequently, the company ceased operations and is working with TETF to resolve asset liquidation.

DNAtrix, Inc. – Series A-1 Convertible Preferred Stock

Intended outcome: Commercialization of delta 24-RGD.

Actual outcome: The company's primary focus is on glioblastoma, a brain tumor that is currently incurable. DNAtrix is also working to expand its platform technology for treating other cancers, including ovarian, prostate and pancreatic cancer. In 2012, DNAtrix acquired VectorLogics, Inc., a privately-held biotech company with 40 complimentary patents. The company previously completed a Phase 1 clinical study for treatment of high-grade glioma with promising results. It has initiated a Phase 1b study in the US and is currently enrolling patients at MD Anderson Cancer Center, Moffitt Cancer Center and Ohio State University. During 2014, DNAtrix, secured a three year grant from CPRIT of approximately $10.8 million and closed on a Series B Equity round of approximately $19.5 million. Subsequent to the date of this report TETF terminated the award agreement upon the company returning the award plus interest.

Endothelix, Inc. – Common Stock

Intended outcome: Commercialization of a non-invasive endothelial dysfunction monitor for early detection of cardiovascular disease.

Actual outcome: Endothelix focuses on non-invasive vascular function measurement. The company originated at the Texas Medical Center-Houston from a collaborative project between the Texas Heart Institute and The University of Texas Health Science Center at Houston. Endothelix's first product is VENDYS®, a non-invasive, inexpensive and easy-to-use vascular function test. VENDYS® is FDA-cleared and is currently marketed throughout the U.S., Europe and Canada. After an onsite review identified discrepancies, the TETF has required the company to provide an audit of both its capitalization table and financials. The company did not comply with the request, and was send a demand to return the full award, plus interest.

Ensysce Biosciences, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of a carbon-nanotube and siRNA cancer therapeutic for renal cancer.

Actual outcome: Previously, the company leased a laboratory and completed an initial animal toxicity study. During 2014, Ensysce executed material transfer agreements with three companies and the University of Pennsylvania to explore the use of its Single-Walled Carbon Nanotube delivery platform with technologies from each group. Studies are ongoing and licensing or partnering opportunities will be explored with data in hand.

Enthuze, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of consumer research technology.

Actual outcome: The company created a beta version that underwent integration, function and stress and load testing, before being further tested in environments hosted by Amazon and Slicehost. Based on these tests, it incorporated improvements and converted the existing platform into an online dating platform, generating revenues for the first time. However, the company has shut down its dating service platform, idate. Enthuze is currently looking for new opportunities by examining market trends to evaluate how best to pivot the company into the next technology wave, as well as how to raise additional funding.

Environmental Quality Management Associates, Inc. (EQMA) – Common Stock

Intended outcome: Commercialization of ethanol through the conversion of multiple waste streams.

Actual outcome: EQMA is transforming macro quantities of both industrial and animal feed operations waste into ethanol fuel. The company modeled cost and revenue projections and completed engineering schematics depicting the process flow with a minimum capacity of 1 million gallons per year, using poultry waste as the primary feedstock. The company is preparing to commercialize their process by actively pursuing additional financing to reach the marketplace.

Falcon International, Inc. – Warrant

Intended outcome: Commercialization of composite ballistic panel technology.

Actual outcome: The company completed a manufacturing facility in Odessa in 2008, secured further financing and completed the management team later that year. Falcon also secured a National Institute of Justice certification. After failure to commercialize, the company ceased operations. TETF requested the company return the award and referred the matter to the Texas Office of the Attorney General.

Faradox Energy Storage, Inc. – Common Stock

Intended outcome: Commercialization of high-energy density capacitors.

Actual outcome: Faradox constructed sample capacitors, acquired third party test data, and developed customer relationships. The company made its first commercial sale in 2010. Unfortunately, the company could not raise the additional round of funding required to scale the process. The company ceased operations in 2012, licensed its intellectual property to an electronics components company and sold all its physical assets. To date, Faradox has received no royalties from the license. Minimum royalties are due to the company in October 2015.

Fe3 Medical, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of trans-dermal drug delivery technology that enables the safe, non-toxic transport of iron across the skin.

Actual outcome: The company has completed pre-clinical studies demonstrating the efficacy of its transdermal patch to deliver iron at acceptable rates of delivery. The company also progressed to the next generation electronics package.

FibeRio Technology Corporation – Series C Preferred Stock

Intended outcome: Commercialization of Forcespinning® as proprietary equipment for the fabrication of nanofibers.

Actual outcome: The company has expanded its current manufacturing and distribution facility in McAllen, Texas and established office space in Austin for advanced engineering and management. FibeRio's primary products are the Fiberlab L1000 laboratory scale system and the Fiber Engine FS1100 industrial scale. During 2014, the company made significant advancements in process development, both in types of materials processed and in industrial scale volumes. The new equipment model FX series, with a 10X increase in output, was completed and is being officially launched in November 2014. FibeRio is actively pursuing additional customer relationships and business opportunities.

Firefly LED Lighting, Inc. – Investment Unit

Intended outcome: Commercialization of efficient, long-life LED lighting solutions.

Actual outcome: The company developed a customer base, applied for patents, expanded commercialization, and developed new products. Firefly LED Lighting had products available for sale, but needed additional capital to continue commercialization efforts. In early 2014, Firefly was acquired by Pruf LED, LLC and TETF received a return to the fund.

Genprex, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of a targeted nanomolecular therapy product for the treatment of cancer.

Actual outcome: Genprex holds worldwide exclusive licenses to approximately 17 issued and 5 pending patents for technologies developed by researchers at the National Cancer Institute, MD Anderson Cancer Center, and The University of Texas Southwestern Medical Center. The company is using the patents to develop nanovesicle therapies that target key oncogenic pathways to treat tumors and cancer metastases at the molecular level without harming normal cells. Genprex sponsored and began a Phase 1/2 clinical trial to test CNVN202 (Oncoprex®) in combination with Tarceva® (erlotinib) in late-stage lung cancer patients at the MD Anderson Cancer Center. The details of this trial can be found at ClinicalTrials.gov.

Gradalis, Inc. – Series A Convertible Preferred Stock

Intended outcome: Commercialization of RNAi cancer therapeutics.

Actual outcome: The company offers personalized clinical trial options for individuals with various advanced solid tumors. The FANG™, a tumor-based personalized cancer vaccine is currently in numerous Phase 2 clinical trials. In May 2013, it was reported that FANG™ elicited an immune response and delayed time to recurrence in advanced-stage ovarian cancer patients by more than a year compared to patients who received standard care. Gradalis plans to initiate a Phase 3 FANG™ trial for ovarian cancer in early 2015.

Halsa Pharmaceuticals, Inc. – Common Stock

Intended outcome: Commercialization of Zinc-Alpha-2-Glycoprotein (ZAG), a pharmaceutical for the treatment of clinical obesity.

Actual outcome: Halsa is producing in Texas its lead therapeutic protein purified by FDA-approved methods and is currently pursuing non-clinical *in vitro*, toxicity, and long-term *in vivo* efficacy studies at a large pharmaceutical company's research facility through a strategic agreement. Halsa is developing this natural mammalian protein for oral treatment of obesity and diabetes, while continuing to pursue strategic relationships. Halsa is no longer developing a treatment for cancer cachexia.

Hanson Robotics, Inc. – Warrant

Intended outcome: Commercialization of the next-generation platform for robotics design and manufacture.

Actual outcome: The company has released its "super-humanlike" product, a robot with facial expressions, conversational personality, walking robot bodies and adaptive intelligence. The company has formed relationships with expert manufacturing and research partners to design new, mass-manufactured versions of its products to address large, existing demand for Hanson Robots in medical, entertainment, and educational markets. These new products are designed as standard platforms for serving multiple markets,

and include several distinguishing features: improved facial expressions, more valuable versions of intelligent personality and animations, better authoring framework, and specific software features for addressing target markets. With numerous units sold and deployed internationally to date, Hanson Robots currently serves health, safety, education and scientific uses at universities, museums, and private collections around the world. With the introduction of new product lines and expanded manufacturing infrastructure, the company expects to dramatically increase sales in coming quarters.

HeatGenie, Inc. – Common Stock

Intended outcome: Commercialization of a self-heating food packing technology.

Actual Outcome: The company made significant progress towards commercialization of its self-heating technology and anticipates commercial availability starting in 2015. In July 2014, HeatGenie signed a Pre-Commercialization Development Agreement with Crown Holdings, Inc. which includes an agreement to a royalty rate and minimum volume commitments. HeatGenie has both a Letter of Intent and a Memorandum of Understanding with one of the largest food companies in the US to conduct further consumer testing on use of the HeatGenie technology with widely recognizable food and beverage brands. The food company funded an independent safety test which HeatGenie successfully passed. The company continues to raise additional capital from private investors.

HydroLogic Industries, Inc. – Secured Convertible Promissory Note

Intended outcome: Commercialization of a water purification system to separates pure water from salt, hydrocarbons and other impurities.

Actual outcome: The company is currently building and testing its high volume, low operating cost water purification system prototype and has identified numerous potential uses for its product that include mining, desalination plants, petroleum, waste processing and disaster relief. Subsequent to the date of this report TETF and the company entered into an agreement to terminate the award agreement, but required the company to return the award, plus interest.

Ideal Power Converters, Inc. – Investment Unit (NASDAQ: IPWR)

Intended outcome: Commercialization of large-scale photovoltaic inverters.

Actual outcome: The company's new Hybrid Converter received the electrical energy storage Award at InterSolar, Germany, the world's largest solar exhibition. The award was given for innovation on the product's ability to improve efficiency and reduce cost of integrated PV and battery systems. The company has had several announcements on growing order volume for its 30 kW battery converter, which is a leading solution used in energy storage used in commercial buildings. These systems are being deployed by several of the company's customers, many at no cost to the building owner based on their ability to reduce commercial peak demand charges. In November 2013, Ideal Power completed a successful Initial Public Offering with $17.25M. The state's shares were subsequently sold with a return to TETF greater than the award. Subsequent to the date of this report TETF and Ideal Power terminated the Award Agreement.

iLearning Gateway, Inc. – Common Stock

Intended outcome: Commercialization of a one-stop tutoring solution.

Actual outcome: The company has completed product development and launch of TeachingBOT®, an online technology that interacts with students at an individual level and has adapted it for use in Texas and other states. iLearning Gateway has also succeeded in identifying key partners for conducting advanced product promotion. In

2014, the company launched the TeachingBOT® app, available through the Apple App Store, Google Play and Amazon Appstore.

Image Trends, Inc. – Common Stock

Intended outcome: Commercialization of Digital ICE®-enabled motion picture scanner and current professional photographer software products.

Actual outcome: The company developed and launched PC and Macintosh versions of its motion picture scanning software applications and developed a mouse scanner product. Additionally, the company has 6 imaging software products available: Fisheye Hemi™, Shine Off™, Pearly Whites™, SensorKleen™ Pro, AutoMatting™ and DustKleen™. The first three are available as Adobe® Photoshop® plugins. Image Trends sold and installed the first Black ICE® film scanner in a significant film archive library where they are scanning national treasures of the Pathe' and Paramount black and white news reels, circa 1910-1950. Image Trends expects royalty revenue based on this scanner installation. The company continues to improve its Digital ICE® Technology to be used for color film. Subsequent to the date of this report the company entered into bankruptcy.

Interoperate.biz, Inc. – Common Stock

Intended outcome: Commercialization of a rapid translation-based migration of programs.

Actual outcome: The company launched the BrailleMath product that allows teachers to convert a Braille page created by blind students into pdf files readable by sighted teachers. The company has enhanced the product based on feedback from users. In May 2014, Interoperate signed a sales agreement with a major distributor of Braille products for the sale of BrailleMath. The company has also launched BrailleText that allows legacy Braille documents to be digitized and duplicated. The company is in the process of securing a contract with a potential customer for the use of BrailleText to digitize Braille music.

InView Technology Corporation – Series B Preferred Stock

Intended outcome: Commercialization of high-performance cameras using advanced compressive sensing technology.

Actual outcome: The company established its lab and secured a number of research and development contracts from the federal government and major system companies. lnView also secured a fundamental patent for its compressive sensing technology and completed the design of the first commercial shortwave infrared device product. The product was launched in late 2013, but met low market acceptance and InView has downsized. The company is currently focused on performing research funded by the US Army and the National Science Foundation.

Iridescent Networks, Inc. – Investment Unit

Intended outcome: Commercialization of internet video software technology.

Actual outcome: Iridescent Networks' patented solutions enable on-demand consumer-to-consumer, consumer-to-business or business-to-business quality of service express lanes across mobile, fixed and nomadic broadband access networks for such services as internet video delivery and communications. The company's software products have been developed, and proven in key broadband provider and broadcaster's labs and facilities. 3GPP 4G LTE and Evolved Packet Systems essentially rely on Iridescent Networks' patents, granted in the US and UK.

itRobotics, Inc. – Common Stock

Intended outcome: Commercialization of a robotic in-line inspection system for tubular plant equipment and pipelines.

Actual outcome: The company's coiled tubing inspection tools have achieved acceptance in the market place and interest in itRobotics' products is growing globally. The products are external inspection devices enabling in-yard or field inspection of coiled tubing. The CTPID can be mounted on rigs for real time inspection of tubing during operations. The company has modified its original designs in the areas of locomotion, sealing and sensor car improvements for inline inspection devices. itRobotics' coil tubing inspection service business has continued to grow during 2014.

JC Lads Corporation (dba Biometric Signature ID) – Series A Preferred Stock

Intended outcome: Commercialization of biometric signature authentication technology.

Actual outcome: The company's BioSig-ID™ authentication software is being used across the country and internationally. Within the last year, BSI has developed additional partnerships with two more learning management companies, and, with its already existing relationships, now controls access to 90% of all colleges and universities. BSI now has nearly 4 million users from 70 countries with renewals for 2014 at 98%. Distance education is currently the company's core business, but during this last year BSI has started to branch out, and is involved in high level conversations or pilots with healthcare, financial services and gaming companies. The company will soon release its new version 4.0 of its software with new security features. Its mobile apps will be completed by year end for Android and iOS. The company was also recognized as a Top 20 IT Ed Tech Company by CIO Review.

KLD Energy Technologies, Inc. – Series B-1 Convertible Preferred Stock

Intended outcome: Commercialization of advanced electric motor systems.

Actual outcome: KLD Energy has developed and commercialized an electric motor system that has better torque, speed and range with twice the efficiency of existing systems in the market. KLD's system achieves over 250 MPGe ratings for 4-wheel electric vehicles and over 550 MPGe for 2-wheel electric vehicles. Through its partnership with Samsung SDI, KLD's battery solution is one of the safest in the industry with redundant safety features and monitoring of battery temperature and current. KLD's propulsion and generation system is applicable in a broad range of markets, including electric vehicles, elevators, air conditioners, pumps, generators, and other applications. KLD has commenced commercial production and is currently selling its electric motor systems in the U.S. and overseas. In 2015, KLD will be expanding its platform to include complete light electric vehicles as well as a fully crashed tested passenger vehicle, to be offered in 2017. Additionally, KLD will be building an automotive pilot production facility mid-2015. Subsequent to the date of this report, TETF made an additional investment into the company with a second award.

Laser Tissue Welding, Inc. – Warrant

Intended outcome: Commercialization of a manufacturing process for albumin solder and denatured albumin scaffold.

Actual outcome: The company is developing products to provide accurate suture-less surgical repair and hemostasis. The company has received an Investigational Drug Exemption approval for a first-in-human robotically assisted laparoscopic partial nephrectomy sealing after removal of kidney tumors in collaboration with Baylor College of Medicine and funded by the National Institute of Health with a fast track SBIR grant. It

has completed development of a clinical device and has successfully completed a first-in-human feasibility clinical study for liver sealing after tumor resection. The company has continued its partnership with St. Luke's Episcopal Hospital and Baylor College of Medicine. Laser Tissue Welding operates an 1100-square-foot laboratory facility in Humble, Texas and is building a scaled up manufacturing plant in Conroe, Texas.

Lasergen, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of a next-generation DNA sequencing system.

Actual Outcome: Lasergen has developed a novel DNA sequencing chemistry with the potential to enable faster, cheaper and more accurate genome sequencing than any existing technology. 2014 has been a time of rapid growth in product development at Lasergen, and the company closed a Series C financing for $3M. The additional funding will be used to progress commercialization of the company's sequencing platform, including strategic collaborations with potential partners and customers, hardware development to move from prototypes to commercial instruments, and demonstration of additional product applications.

Leonardo Biosystems, Inc. – Series A-2 Preferred Stock

Intended outcome: Commercialization of rationally-designed multistage mesoporous silicon particles for the delivery of cancer drugs and agents.

Actual outcome: The company has optimized the nanoparticle delivery system for small molecule therapy and small interfering Ribonucleic acid (siRNA) published proof of concept for delivery of siRNA and resultant tumor suppression, but failed to raise additional capital to continue commercialization efforts. Subsequent to the date of this report, the company has ceased operations and plans to sell its assets.

MacuCLEAR, Inc. – Series A-1 Preferred Stock

Intended outcome: Commercialization of topically-administered treatment for dry, age-related macular degeneration.

Actual outcome: The company contracted with Mystic Pharmaceuticals, another TETF portfolio company, to manufacture both the eye droppers and the drug. MacuCLEAR has completed successful clinical trials for the treatment of non-exudative, age-related macular degeneration. The company is currently conducting a Phase 3 in-human clinical trial to test the first 60 patients. This portion of the trial is expected to be complete by the end of 2015. Successful results from this trial will lead to the next step of testing on a broader scale.

Mayan Pigments, Inc. – Common Stock

Intended outcome: Commercialization of new pigments and colorants with enhanced chemical and physical properties.

Actual outcome: The company developed three products: MayaCrom™, MayaPure™ and MayaSol™. It holds exclusive rights to the patents, intellectual property and technology used to produce a range of colorants that are not heavy metal-based, yet exhibit high-performance properties including chemical resistance, temperature stability and light stability. During 2014, Mayan Pigments' business model changed significantly. The company's research has uncovered MayaCrom® capabilities outside color applications, which opens the door to import new applications in faster developing fields. The company has secured Texas partners to develop the new applications, in addition to pigment development. The new possibilities include improving material properties with applications in additive (or 3D) manufacturing, medical applications in cancer and wound healing and other medical device applications.

Merkatum Corporation – Common Stock

Intended outcome: Commercialization of Multi-Biometric Identity Management as an appliance.

Actual outcome: The company worked with the Austin Police Department on a series of projects and signed a three-year collaboration with IBM to co-develop technology. Merkatum has commercialized its advanced facial recognition identification system. During 2014, the company sold its tech services product to Consejo de la Judicatura Federal (Council of the Federal Judiciary of Mexico). Due to economic trends in its target market of Mexico, the past year has been challenging for Merkatum. The company has seen a decline in their operations and sales pipeline. The company is in the process of ceasing operations.

MicroTransponder, Inc. – Warrant

Intended outcome: Commercialization of world's smallest wireless neurostimulation medical device for treatment of individuals suffering from diabetic neuropathy.

Actual outcome: MicroTransponder developed The Serenity System™ to treat tinnitus. The Serenity System™ pairs an existing therapy called Vagus Nerve Stimulation (VNS) with listening to tones via headphones. VNS has been used to treat over 90,000 patients for epilepsy and depression. The device is fully implantable and can easily be used at home. A 4-site clinical trial, including a site at UT Southwestern/UT Dallas, is being supported by the National Institute of Health, and is in the process of enrolling patients. The company has also developed the Vivistim™ System to treat patients who have significant upper limb mobility deficits 4 months or more after a stroke. Patients receive VNS coordinated with physical therapy to enhance their recovery. The company has completed a promising study in the UK with its Vivistim™ System and is currently enrolling patients in a 4-site randomized controlled double blinded clinical study, with UT Southwestern and UT Medical School at Houston as two of the participating sites.

MicroZap, Inc. – Investment Unit

Intended outcome: Commercialization of food sterilization products.

Actual outcome: The company has had new patents issued in the US, Japan and Australia. MicroZap utilizes a patented, pulsed power of radio frequencies in the microwave spectrum. This process creates a targeted signal density to allow food to be pasteurized without damaging or changing its quality. The company has worked on commercial product trials for interim revenue on pathogen reduction on food products, but a larger focus from commercial producers revolves around shelf-life extension of bread and tortillas. Initial tests showed that the MicroZap process increased the shelf-life of organic tortillas from two days to up to three weeks, without the use of preservatives. The company is engineering a new commercial prototype to place at a customer's facility for a pilot production trial, and is in discussions with potential manufacturing partners for co-development to adapt its technology into manufacturing capabilities. MicroZap has recently raised additional funding and continues its collaboration with Texas Tech University to commercialize the technology.

Minimus Spine, Inc. – Investment Unit

Intended outcome: Commercialization of its Triojection® for Lumbar Disc Herniation

Actual outcome: Minimus Spine has made progress in preparing Triojection® for market. The company received its European CE Mark, which allows sell of the product across the European Union. The first ever cases treated with Triojection® were performed recently in Italy. Inventory has been built to support a European clinical study and an animal study. The clinical study is designed to compare outcomes of

Triojection® to surgical discectomy and is necessary to support a commercial launch and reimbursement. The protocol is drafted, several clinical sites have been identified and the study is expected to start enrolling patients in the first quarter of 2015. The animal study is in the planning stages.

Mirna Therapeutics, Inc. – Series B-1 Preferred Stock

Intended outcome: Commercialization of microRNA-directed therapeutics for the treatment of cancer and other diseases.

Actual outcome: The company has identified numerous tumor suppressor miRNAs that play key roles in preventing normal cells from becoming cancerous. These miRNAs are reduced or lost in virtually all cancers. The company's therapeutic strategy is to bring this tumor suppressor activity back into target tissue cells by administering mimics of natural miRNAs, an approach known as "miRNA Replacement Therapy". Mirna has continued to evaluate its lead clinical candidate, MRX34, in a Phase 1 clinical trial. The primary objectives of this trial are to establish the maximum tolerated dose and the recommended Phase 2 dose for future clinical trials. The secondary objectives are to assess the safety, tolerability and pharmacokinetic profile of MRX34 after IV dosing as well as to assess pharmacodynamics and clinical activity of MRX34. Mirna submitted an Investigational New Drug application to the Korean FDA and received authorization to open enrollment in the trial. The trial is now enrolling a separate cohort of patients with hematological malignancies, which are cancers that affect blood, bone marrow and lymph nodes. In addition, a modified dosing regimen was implemented to enhance drug exposure.

Modria, Inc. – Common Stock

Intended outcome: Commercialization of a highly customizable and rapidly evolvable supply chain planning system.

Actual outcome: Modria's technology enables it to build software one customer at a time without increasing the total cost of ownership. Its customers can own the software at source code level, allowing them to control product roadmap, leverage intellectual property and enhance competitiveness. Modria is actively in the application/review process for a National Science Foundation SBIR Grant. The company has received a letter of support from its pilot customer and has identified a functional area of application of its technology that the NSF has agreed is innovative.

Molecular Imprints, Inc. – Warrant

Intended outcome: Commercialization of a nanotechnology step and flash imprint lithography (S-FIL™) tool for fabricating nano-scale devices and components.

Actual outcome: Molecular Imprints had more than 160 patents issued covering imprint tools, imprint materials and masks/templates, process technology and imprint-specific device designs. Jet and Flash™ Imprint Lithography (J-FIL™), powered by IntelliJet™ system, is the basis of the company's nanoimprint technology, enabling low-cost, uniform and consistent nanoimprinting of features down to 10nm and below. The company had customers in Japan, Korea and the U.S. In 2014, Molecular Imprints merged with Canon, Inc. and continued operations in Texas. TETF received returns to the fund from the purchase.

Molecular LogiX, Inc. (MLX) – Warrant

Intended outcome: Commercialization of new first in class anti-cancer therapeutics.

Actual outcome: The company has developed and patented a new first-in-class drug lead that interferes with the growth of "HER-positive" human tumor cells that have become resistant to current therapeutics.

The company used its advanced structural and experimental tools to re-engineer a naturally occurring human protein to create a potent, targeted antagonist that interferes with the EGFR/HER family of growth receptors. These receptors have been implicated in the progression of many types of cancers including lung, colon, breast and pancreatic. MLX received a NCI grant and successfully completed the laboratory proof-of-concept experiments. The technology continues to be evaluated while MLX pursues development collaborations with Texas universities as well as major pharmaceutical and biotechnology companies for the clinical testing and commercialization of the compound. The company is actively developing a collaboration with a University of Texas Health Science Center scientist to conduct further pre-clinical development work on the lead compound.

Monebo Technologies, Inc. – Common Stock

Intended outcome: Commercialization of the Cardiobelt™, which monitors, assesses and predicts heart electrical activity enhancing the ability to identify patients with heart abnormalities.

Actual outcome: The company markets five products that process and interpret the ECG signal in cardiac patients. It has developed technology for cardiac monitoring, home care and pharmaceutical cardiac safety trials. Monebo's digital signal processing algorithms, sensor technology and wireless communication capabilities provide medical device developers and original equipment manufacturers accurate real-time monitoring information, with increased patient mobility. The company continues to grow its cardiac analysis software business. During 2014, several of its customers received FDA clearance and have begun to ship products containing Monebo's software. One customer, CR Bard, announced that it is shipping a unique catheter navigation system that uses the company's software.

Mystic Pharmaceuticals, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of an ophthalmic and intranasal drug delivery platform.

Actual outcome: The company has developed innovations in patient focused drug/device combination products that simplify self-administration, improve patient compliance and reduce waste and cost for the patient and the manufacturer. Products include unit dose container devices for liquids and powders, delivery devices that simplify self-administration by the patient, preservative-free unit dose packaging and a broad range of precision dose deliveries. The company has 17 pending/issued patents and is currently advancing collaboration with pharmaceutical manufacturers, biotech companies and academic research institutions to develop combination products, license the technology and enter into a commercial supply agreement.

Nano3D Biosciences, Inc. (n3D) – Series A Preferred Stock

Intended outcome: Commercialization of a three-dimensional cell culturing device by magnetic levitation.

Actual outcome: Previously, Nano3D commercialized its original "single-well" Bio Assembler™ kits, and announced 24- and 96- well platforms. In August, n3D launched its 384-well Bioprinting Kit, and began providing contract research services. The company has seen a significant increase in 2014 sales relative to the same period in 2013. The company received patent allowance for the patent licensed from Rice University/MD Anderson Cancer Center, "Systems and Methods for Magnetic Guidance and Patterning of Cells and Materials". Additionally, n3D has also received three competitive grant awards: a National Institute of Health (NIH) SBIR Phase I grant from the National Institute of Environmental Health Sciences, a NIH STTR grant in collaboration with the University of Texas Medical School and Methodist Research Institute from the Eunice Kennedy Shriver National Institute of Childhood Health and Human Development, and a grant from the Center for Advancement of Science in Space (CASIS).

NanoComposites, Inc. – Common Stock

Intended outcome: Commercialization of electrometric material industrial products used in heat, pressure, noxious chemical and abrasion sensitive environments.

Actual outcome: The company conducted research, determined scaling feasibility and completed prototypes of four different types of elastomer seals. NanoComposites executed two joint development agreements with corporate partners, and started generating revenue. As of August 10, 2012, the company exhausted its financial resources and did not raise sufficient capital for ongoing operation. The company has ceased operations.

NanoCoolers, Inc. – Warrant

Intended outcome: Commercialization of a solid state cooling system.

Actual outcome: The company's prototype development proceeded with initial success, however, complications with the cooling technology hindered the company's ability to commercialize. This in turn discouraged the raising of additional funding. The company has ceased operations.

NanoMedical Systems, Inc. (NMS) – Series A Preferred Stock

Intended outcome: Commercialization of nanochannel drug delivery devices.

Actual outcome: NMS is developing a drug delivery device that constantly releases drug molecules over a period ranging from weeks up to a year from a small implantable capsule controlled by hundreds of thousands of nanochannels on a tiny silicon chip. NMS has been working with a pharmaceutical company on a hormone replacement product and is in discussion with several pharmas on other product concepts. The company is also looking forward to a next generation of is technology using on-board microelectronics. Building on successful Texas-based research, NMS plans to design implants with smart drug release which will enable new therapies and culminate in an "artificial gland". NMS is presently assessing several near-term product opportunities based on its present technology and capabilities.

Nanospectra Biosciences, Inc. – Common Stock

Intended outcome: Commercialization of a therapeutic medical device which incorporates a new class of nanoparticles capable of selectively killing solid tumors.

Actual outcome: Nanospectra's AuroLase® Therapy is an investigational medical device that is broadly applicable to many solid tumors. The therapy uses the unique "optical tenability" of a new class of nanoparticles that can convert light into heat to selectively and thermally destroy tumor tissue. The company has completed pilot safety studies in head and neck and prostate cancer. A pilot study for the treatment of non-small cell lung cancer under an open FDA IDE is available to initiate enrollment, and a potential follow-on study in prostate cancer in conjunction with MRI fusion biopsy is under discussion at the University of Texas Medical School in Houston. Nanospectra commenced veterinary trials at four veterinary schools (U. Wisconsin, Texas A&M, U. Georgia and Virginia Tech) and has enrolled 15 dogs and 1 cat to date. Three additional academic sites are planned to initiate enrollment early in 2015.

NanoTailor, Inc. – Investment Unit

Intended outcome: Commercialization of the production of single wall nanotubes.

Actual outcome: The company relocated employees and operations to Texas, filed patent applications and began work on the nanotube production machine. The company failed to commercialize the technology and in December 2011, the Office of the Governor demanded full repayment of the award and ultimately referred the matter to the Texas Office of the Attorney General. The matter was deemed uncollectable. NanoTailor filed for Chapter 7 Bankruptcy in May 2012, and the state filed a Proof of Claim in the bankruptcy. The company has ceased operations.

Net Watch Solutions, Inc. – Warrant

Intended outcome: Commercialization of a software which focused on behavioral patterns as the leading cause for system disruption.

Actual outcome: The company applied for two patents on its software, but was unsuccessful. In December 2011 Net Watch Solutions notified TETF that the company was dissolved. The company has ceased operations.

Net.Orange, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of the Clinical Operating System (cOS™), which will be used by medical providers and health care administrators in clinics, hospitals and research organizations.

Actual outcome: Net.Orange provides health care informatics solutions that help healthcare organizations implement a patient-centric, virtually integrated care delivery model. The company's patented Clinical Operating System (cOS™) leverages existing systems, such as electronic medical records, health information exchanges and claims in real-time, to allow hospitals, physician practices, employers and payors to work together in an accountable health care environment, regardless of the payment model. In 2014, Net.Orange was acquired by NantHealth, LLC. The company continues to maintain a presence in Dallas, TX.

Netcordant, Inc. (fka Codekko Software, Inc.) – Common Stock

Intended outcome: Commercialization of web server efficiency software.

Actual outcome: The company has commercialized its patented technology which enables web performance optimization directly on the web server. It delivers fast and efficient applications to reduce costs, drive revenues and increase customer satisfaction without altering application logic or adding hardware.

Neuro Resource Group, Inc. – Common Stock

Intended outcome: Commercialization of InterX®, a neurostimulation device for noninvasive acute pain management.

Actual outcome: Hand-held and battery operated, the InterX® products use interactive neurostimulation technology to deliver treatment for a variety of medical conditions. InterX® products have proven effective for acute and chronic pain relief and the resulting increase in range of motion; the reduction in neuropathic and nociceptive pain and improved rehabilitation times from sports injuries and other acute trauma. InterX® products carry the European CE mark, and are 510(k) cleared by the FDA as a pain management device and have been safely and effectively used to treat thousands of patients throughout the world. In 2014, NRG focused on getting its new InterX® Sterile Self-adhesive Dual Electrode, the ISSDE, into the post-surgical pain

management market. The company received approval in one major surgical center network and is in process of obtaining approval of two others.

Neurolink, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of an implantable therapy for epilepsy that predicts seizures and treats the underlying disease pathology via intracranial drug delivery.

Actual outcome: Neurolink has developed a drug-device combination therapy for the treatment of epilepsy. The company improved and optimized the manufacturing processes for its proprietary solid phase implanted drug delivery system to the brain for the treatment. Now in the device integration phase, the company has bench-tested and integrated subassemblies to optimize throughput, conserve energy, and attain high repetition rates of the drug delivery system components.

Noninvasix, Inc. – Common Stock

Intended outcome: Commercialization of a noninvasive platform for blood diagnostics.

Actual outcome: The company is commercializing a noninvasive monitor of cerebral venous oxygenation ($SSSvO_2$) that will reduce the incidence of cerebral palsy and unnecessary C-section deliveries. It has demonstrated that the monitor can accurately measure $SSSvO_2$ in adults. The company is also designing a fetal probe to be used during late-stage labor. The company has received U.S. Army development awards to develop a laboratory prototype shock monitor and a laboratory prototype brain oxygenation monitor. In 2014, Noninvasix continued to make progress on its two NIH SBIR and STTR grants for developing fetal and neonatal cerebral oxygenation monitors, and filed a patent application on these two patient interfaces. The company also closed a round of financing.

Oncolix, Inc. – Common Stock

Intended outcome: Commercialization of Prolanta™, a prolactin receptor antagonist that will block prolactin receptors found in breast and ovarian cancer patients.

Actual Outcome: The company has an FDA Investigational New Drug clearance to commence human testing of Prolanta™ in the treatment of ovarian cancer. The FDA has granted Prolanta™ orphan drug status for ovarian cancer, which may allow an accelerated regulatory FDA approval. In addition to ovarian cancer, there is strong preclinical evidence Prolanta™ will be effective in breast, prostate and other cancers. Oncolix continues to work with MD Anderson Cancer Center under a sponsored research agreement. In 2014, research conducted by MD Anderson was published in *Cell Reports*, which included data to support the novel mechanism of action of Prolanta™. The company also raised additional bridge loans to support the ongoing development of Prolanta™, which includes up to $1M participation by the Texas Emerging Technology Fund. Oncolix completed its Series A financing subsequent to the date of the report.

OnTrack Imaging, Inc. (OTI) – Common Stock

Intended outcome: Commercialization of a C-Scan™ ultrasound imaging system for soft tissue imaging.

Actual outcome: The company has developed a device the uses a patented C-Scan™ ultrasound camera to examine soft tissue in the lower limbs of horses. OnTrack Imaging is continuing to develop its ultrasound imaging camera using both transmission and reflective technology. The combination technology will give the company quantitative, high resolution images that will increase the veterinarian's confidence in diagnosing the health of soft tissue to increase injury prevention capability. The company has a marketing license with QT Ultrasound (formerly CVUS). OTI will have exclusive license to market in the animal industry while QT

Ultrasound will focus in Breast Imaging and Orthopedic markets. A prototype is expected May 2016. The company is actively raising a $5M funding round while QT Ultrasound continues to develop the product.

OptiSense Network, LLC – Warrant

Intended outcome: Commercialization of electro-optic voltage sensor systems.

Actual outcome: The company developed and manufactured medium voltage, optical voltage and current sensors for electric utility distribution systems worldwide. OptiSensors™ use a patented crystal-optic technology to measure voltage and current on substation-to-end-user distribution lines. The sensors enable utility distribution and operations engineers to cost-effectively monitor and manage feeder line voltage and current in real time, informing critical decisions regarding distribution and reliability. In 2014, OptiSense filed for Chapter 7 Bankruptcy. TETF referred the matter to the Office of the Attorney General to file a Proof of Claim. The company has ceased operations.

Ortho Kinematics, Inc. – Series A-1 Preferred Stock

Intended outcome: Commercialization of spine-imaging technology.

Actual outcome: The company developed the FDA-approved Vertebral Motion Analysis™ (VMA), a diagnostic test for the spine that uses fluoroscopy to capture the spine in motion, producing patient-specific graphs for each vertebral level. The company has successfully completed a limited scale commercial launch of the VMA for the purpose of assessing clinical efficacy, insurance coverage rates and adoption by surgeons. Regarding clinical efficacy, the VMA was found to be 500% more sensitive than today's current spine motion test, but just as specific. The company also received positive results regarding insurance coverage and user adoption. Based on this success, the company received an investment by Medtronic and entered into a co-promotion agreement to allow Medtronic sales reps to sell the VMA. Medtronic is the top medical device company based on global revenues and has 40% of the in-spine surgical implant market share.

OrthoAccel Technologies, Inc. – Warrant

Intended outcome: Commercialization of an orthodontics device.

Actual outcome: The U.S. Patent and Trademark Office has issued OrthoAccel two patents for its hands-free AcceleDent®, an FDA-cleared, Class II medical device designed for faster orthodontic treatment with only 20 minutes of daily use. It can speed up treatment by as much as 50 percent. AcceleDent® was introduced to the U.S. market in 2012 and is now available in 2,000 orthodontic locations across the U.S. Additionally, a recent independent study reported that 100 percent of patients surveyed said that AcceleDent® is easy to use and that they were satisfied with their experience.

Palmaz Scientific, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of a cardiovascular stent.

Actual outcome: Palmaz Scientific has broadened its worldwide patent portfolio to include over 250 issued patents and over 130 pending patents. A first-in-man study is underway to evaluate the effects in humans of patented micro-grooves applied to a coronary stent, and the physical vapor deposition manufacturing process is being evaluated by third party medtech companies. Palmaz Scientific maintains its partnership with the University of Texas Health Science Center at San Antonio.

Patton Surgical Corporation – Series B Preferred Stock

Intended outcome: Commercialization of the PassPort™ double-shielded trocar line.

Actual outcome: The company performed research and development to complete a full product line that launched in 2010. After building up inventory and hiring a sales and marketing team, the company tripled the number of facilities where Patton Surgical's products were used in surgery. A leading medical device company, Stryker Corporation, purchased the company's Trocar™ line in June 2012. Patton Surgical Corporation returned the TETF's investment soon after.

Photodigm, Inc. – Warrant

Intended outcome: Commercialization of high volume manufacturing of high coherence laser diodes.

Actual outcome: The company's product line of single frequency precision semiconductor lasers has gained market share in scientific instruments, metrology and industrial processing. Customers include defense contractors, government and academic research laboratories and industrial equipment manufacturers. The lasers are designed and produced in the company's wafer fabrication facility in Richardson, TX and sold to customers worldwide.

Photon8, Inc. – Investment Unit

Intended outcome: Commercialization of an algae growth and oil production system.

Actual outcome: Photon8 has produced an 8-ounce, visual quantity of algae oil and shipped it to customers for analytical testing. It has also begun developing genetically-improved alga that are high in protein and carbohydrates, and may be used in food and nutraceutical products. Photon8 completed a funded research program with a major oil company that was completed in early 2014. This effort enhanced the photosynthetic efficiency of its system two-fold. Additionally, the company has gathered funding support to bring its Omega3 product to market.

PLx Pharma, Inc. – Common Stock

Intended outcome: Commercialization of new formulations of non-steroidal anti-inflammatory drugs (NSAIDs).

Actual Outcome: PLx Pharma has received FDA approval for 325 mg PL2200 Aspirin capsules for over-the-counter pain relief and fever reduction. In 2014, PLx Pharma completed additional clinical trials to provide product differentiation to support the PL2200 Aspirin product commercialization. The company is now pursuing commercialization options which include licensing to a larger pharmaceutical company and raising additional capital for PLx to commercialize PL2200.

PrincipleSoft, Inc. – Warrant

Intended outcome: Commercialization of Multiple Layer Overlay (MLO) modulation/multiple access.

Actual outcome for 2013: The company provides PrincipleCare™, a web-based hosted solution that provides an integrated interface between various components of modern operating facilities by allowing data collection and analysis. It also offers PrincipleTime™, a browser-based employee attendance and labor management module available as a hosted solution and direct installation that enables businesses to track employee attendance and working hours; as well as Time-Clock™, a web-based employee portal that allows time collection, employee communication and information sharing. Critical milestones were reached, but

expansion needed further funding, which the company has struggled to raise. To that end, the company has changed course to finalize the patent of its technology to possibly license the patent as a new revenue model. The company continues to collaborate with UT Dallas.

Procyrion, Inc. – Secured Convertible Promissory Note

Intended outcome: Commercialization of a catheter deployed long-term circulatory assist device.

Actual outcome: Procyrion has developed and is commercializing a new intra-aortic support pump for the treatment of chronic heart failure. The Aortix™ device is the first catheter-deployed, long-term treatment option designed to reduce the workload of the heart, providing an opportunity for the heart to rest and heal. During 2014, Procyrion made significant progress in validation of device effectiveness, demonstration of percutaneous deployment and retrieval, and validation of potential treatment indications and their economic benefit for patients, payers and providers. Validation of effectiveness came through demonstrations of significant acute hemodynamic benefit to an animal model of chronic heart failure. Procyrion's core development partners made significant contributions to Aortix™ and continue to do so. Procyrion also established good communications with a number of companies that could be potential acquirers or near-term investors in Procyrion. Additionally, the company received a grant to research modifying Aortix™ for a pediatric indication, and improved its characterization of the likely first human patients for the device and what therapeutic and economic benefits they might realize.

Pronucleotein Biotechnologies Corporation – Investment Unit

Intended outcome: Commercialization of the Fluorescent Assay System Hand-held (FLASH) reader for rapid on-site food safety, environmental and other diagnostic testing.

Actual outcome: Pronucleotein's technology focuses on developing selected DNA aptamer sequences and DNA aptamer-conjugates for diagnostics uses. Aptamers are single-stranded DNA or RNA (ssDNA or ssRNA) molecules that can bind to pre-selected targets, including proteins and peptides, with high affinity and specificity. The company has filed for patent protection for over 100 key food pathogen aptamer (nucleic acids or peptides) sequences that bind biological and chemical toxins as well as bacterial cell walls and cell capsules, and eventually intends to target other food contaminants, toxins, parasites and cancer cells. The company has also filed two patent applications in the area of nearly-instantaneous fluorescence resonance energy transfer aptamer technology for rapid diagnostics. The company continues to validate their food safety tests before going to market.

Pulmotect, Inc. – Common Stock

Intended outcome: Commercialization of Stimulated Innate Resistance (StIR) against inhaled pathogens.

Actual outcome: Pulmotect's lead product, PUL-042, is an inhaled therapeutic that stimulates the immune system in minutes to provide immediate and effective protection that lasts for days. By stimulating receptors on lung epithelial cells, PUL-042 could initiate an innate immune system response that better protects the body against each of the major classes (bacterial, fungal and viral) of pathogens. Pulmotect has successfully completed a Phase 1 clinical trial, demonstrating safety of the product in healthy people. The company has continued to strengthen the applications of the drug through pre-clinical activities with additional models, formulation and manufacturing activities. Pulmotect continues its efforts to protect their technology through intellectual property, with issued patent claims and the filing of new provisional applications.

Qcue, Inc. – Investment Unit

Intended outcome: Commercialization of an integrated selling platform.

Actual outcome: The company has developed proprietary "dynamic pricing" software used by leading franchises across major league and university-level sports, entertainment promoters and ticketing organizations. The software applies revenue management to ticket sales to improve pricing efficiency, generating tens of millions of dollars in incremental revenue for its customers on an annual basis. After deploying version 2.0 of the web application in late 2013, ongoing user interface development continues to expand upon the existing revenue management solution. The company's is also gaining traction in large international markets.

Quantum Logic Devices, Inc. – Warrant

Intended outcome: Commercialization of a biomedical nanotechnology platform for rapid diagnosis of disease.

Actual outcome: The company has developed its core technology, based on single electron devices, into a platform with the ability to electronically-detect a single molecule of DNA or a single antigen in a simple, rapid and highly specific assay without fluorescent labels. Prototypes and technology evaluations have been performed with multiple US and international companies for specific applications in biomedical research and healthcare. The company has four U.S. and two international patents describing the fabrication and utility of single electron transistors, and has additional patents pending on related technologies and specific applications.

RadioMedix, Inc. – Common Stock

Intended outcome: Commercialization of generator-produced radiopharmaceuticals based on Gallium-68 chemistry.

Actual outcome: RadioMedix is focused on innovative new targeted radiopharmaceuticals for diagnosis and therapy of cancer and commercialization of automated modules designed to expand access to, and improve the quality of positron emission tomography (PET). The company is a co-sponsor and collaborator on three clinical trials for the 68Ga-DOTATATE PET-CT scan for diagnosis and staging of neuroendocrine tumors (NETs). The company has received orphan designation for this product from the US, and has received FDA guidance toward commercialization of this product. Also, RadioMedix is sponsoring an IND for a kidney radio-protective agent used during therapy of patients with NETs. RadioMedix secured a SBIR Phase I grant for the development of their product GlucoMedix, which provides high sensitivity and specificity of tumor detection, limiting false positive results. The kit compounding of GlucoMedix and clinical studies are scheduled for early 2015. The company has collaboration agreements with several radiopharmacies and big pharmaceutical companies related to product distribution. RadioMedix has also established two service facilities for academic and industrial partners: cGMP Manufacturing Suite for clinical probe development and Molecular Imaging Facility for evaluation of agents in animal models.

Rebellion Photonics, Inc. – Secured Convertible Promissory Note

Intended outcome: Commercialization of a hyper-spectral analyzing Gas Cloud Imager (GCI) device to detect chemical leaks within the oil drilling, oil refining and chemical/petrochemical industries.

Actual outcome: Rebellion's Gas Cloud Imaging Camera monitors, quantifies and displays explosive/harmful gas leaks in real time on oil rigs and refineries. The company's Arrow™ camera offers real-time chemical detection for those who require a full screen image with the ability for instant chemical detection. In

December 2013, the company closed a significant funding round. TETF and Rebellion ended the Award Agreement and the state received a return greater than the TETF award amount.

Receptor Logic, Inc. – Common Stock

Intended outcome: Commercialization of T-Cell Receptor mimic (TCRm™) technology.

Actual outcome: The company has demonstrated the therapeutic potential of TCRm™ antibodies for treatment of oncology conditions and infectious disease. It has also developed TCRm™ Potency Assay Services and Immunology Reagent Products. The company continues to pursue research and development, licensing and contract service opportunities with companies that have shown interest in the TCRm™ technology. It has developed a strategy for a broad roll-out of its epitope discover and TCRm™ generation technologies across the areas of cancer and infectious disease, and has successfully negotiated new contracts with major pharmaceutical partners interested in developing TCRm™ therapeutic antibodies.

Resonant Sensors, Inc. – Common Stock

Intended outcome: Commercialization of Resonant Photonic Crystal Elements for High Volume Screening of Proteins.

Actual outcome: Joining with the University of Texas at Arlington research partners, Resonant Sensors has developed an innovative sensor technology. The company's primary product, the ResoSens bioassay system, can help speed up cell-based and biochemical assays by eliminating the need for chemical labels and labor-intensive processing. Its information-rich data provides kinetic binding profiles and the ability to customize an assay to reduce testing time and increase throughput. The bionetic microarrays are designed for use with the ResoSens bioassay system to provide a label-free approach for cell-based or biochemical tests. Some key applications include: protein interaction monitoring, cell-based assays, and protein-small molecule binding.

RFMicron, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of self-tuning radio frequency identification (RFID) integrated circuit technology.

Actual outcome: RFMicron produces microchips that enable a new class of low-cost, wireless, microcontroller-free, battery-free sensors. These autonomous chips incorporate RF (radio-frequency) energy harvesting and sensing circuits that detect and respond to a variety of environmental stimuli. The sensors for moisture and pressure can be applicable to the automotive, construction, energy, and healthcare industries. The company has introduced the Magnus™, which allows a single RFID tag to work with any regional frequency standard in a radio-frequency unfriendly environment. The company is in the process of designing the Magnus™-S that will sense pressure, humidity, wet/dry conditions, position, proximity and weight. These passive sensors, capable of sensing multiple stimuli, can connect to the "unconnected" Internet of Things network. RFMicron has been shipping product since early 2014, and expects to exceed sales expectations.

Salient Pharmaceuticals, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of calcium aluminosilicate antidiarrheal (CASAD™), an all-natural product to prevent and treat cancer therapy-induced diarrhea.

Actual outcome: With support from the National Cancer Institute, Salient had conducted a Phase 2 clinical trial to test the safety and efficacy of CASAD™ in preventing severe diarrhea associated with colon cancer

treatment. The trial results were positive for safety but inconclusive for efficacy. During 2014, Salient worked with MD Anderson Cancer Center, and completed a proof-of-concept clinical trial for medullary thyroid cancer patients. The results were positive and the company is working with MD Anderson to identify a possible industry partner to sponsor the next round of clinical studies. Additionally, the company recently received approval in South Korea, Japan and Canada for its primary licensed patent. The company also received notification that its other mucositis patent would be issued in the US.

Savara, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of pulmonary therapies

Actual outcome: Savara's lead product, AeroVanc™, is for the treatment of persistent methicillin-resistant *Staphylococcus aureus* (MRSA) lung infection in cystic fibrosis patients. The Phase 2 study of AeroVanc™, an inhaled antibiotic, was completed. The trial had an 87 patient enrollment, and was conducted at clinical sites throughout the US, with the largest number of sites in Texas. The purpose of the study was to evaluate the effectiveness, safety and pharmacokinetics of AeroVanc™ compared to a placebo in subjects with cystic fibrosis and a chronic MRSA lung infection. The data is now being compiled and results will be available in the first quarter of 2015.

ScanTech Sciences, Inc. – Investment Unit

Intended outcome: Commercialization of electron beam irradiation technology.

Actual outcome: The company has completed studies and schematics for a facility, located a potential site and partnered with a local business to build and operate the facility in McAllen, Texas. The company has received an amendment to the USDA regulation that will allow the operation of the facility on the Texas side of the Mexican border. The company has been refining the plant and production equipment specifications and is ready to begin final documentation for construction in 2015. ScanTech Science continues to explore a variety of build-to-suit and build-lease options and is currently in advanced negotiations with several related parties. In addition, the company has identified major investors and is completing its first round of offering in a private placement.

Secure Origins, Inc. – Common Stock

Intended outcome: Commercialization of intelligent software agent solutions along the U.S.-Mexico border and its major North American trade corridors.

Actual outcome: TETF had previously reported the purchase of Secure Origins by The TECMA Group, LLC of El Paso, Texas. In July 2014, TECMA defaulted on its acquisition offer, leaving the company struggling to re-build a client base. Nevertheless, the company has continued independently and its technology solution for the Border's economic, national security and air quality issues remains in place. The Frontera-21™ Managed Flow and Tracking System monitors shipments securely from the loading dock to the border, across and along the route of its destination. Its proprietary electronic surveillance systems monitor designated lanes at US-Mexico ports of entry and achieve visibility through GPS tracking technology and a fiber optic network in Mexico, providing secure communications of data that is immediately processed and validated at the command center.

Seno Medical Instruments, Inc. – Warrant

Intended outcome: Commercialization of laser optical acoustic system for cancer imaging and detection.

Actual outcome: The company developed IMAGIO®, a non-invasive breast imaging technology that uses opto-acoustic (OA) technology to detect masses and measure the blood and oxygen content of the mass to determine malignant or benign tumor. Seno completed the pilot component of the 100 subject PIONEER Study. Then, 21 independent readers read these subjects' information. The results achieved the endpoint of high specificity with equal sensitivity to conventional diagnostic ultrasound, according to Seno's FDA end point. Active enrollment of the Pivotal Study, PIONEER, was completed in August. Additional scans of subjects in the BI-RADS 3 category are being completed within the one year follow-up window. The interim analysis results from the first 800 subjects have been analyzed and completed. The independent readers are on track to complete the final remaining 1000+ subjects. To further educate the scientific community in Seno's opto-acoustics, Seno is conducting a study of comparative pathology analysis to OA. Results have been positive. Now that the initial device platform is complete, Seno has also initiated a healthy human platform feasibility study to investigate future applications.

The CE Mark for IMAGIO® was achieved in the first quarter of 2014. Seno will initiate opportunities in the European markets, following a Post Market Study. Seno is submitting its information in modular format from the PMA to the FDA. Module 1 was submitted and is closed. Seno anticipates Module 2 will be submitted by Q1, 2015. Subsequent to the date of this report, TETF made an additional investment in the company with a second award.

SeprOx Corporation – Investment Unit

Intended outcome: Commercialization of an improved oxygen generator.

Actual outcome: The company was unable to secure additional funding to support commercialization efforts, and therefore not able to comply with TETF requirements. The Office of the Governor sent a demand notice requesting the return of the award and referred the matter to the Texas Office of the Attorney General. In August 2013, the debt was deemed uncollectible. The company has ceased operations.

Smart Imaging Technologies Corporation – Investment Unit

Intended outcome: Commercialization of automated pathogen analysis technology for drinking water.

Actual outcome: The company's product, SIMAGIS® Live, is a high-performance cloud-based software platform for viewing, sharing and analysis of digital microscopy slides used in cancer diagnostics. The company identified strategic partnerships for acquisition of its technology assets at the end of 2013. During 2014, the company worked on an asset sales transaction, and are in the final stages of the process. Smart Imaging Technologies has been unwinding business operations in anticipation of the exit transaction which includes a return to TETF.

Smartfield, Inc. – Priority Preferred Stock

Intended outcome: Commercialization of sensory technology.

Actual outcome: Through its SmartCrop® product, Smartfield utilizes a patented biotic crop monitoring technology that measures the canopy temperature of a plant and then compares that temperature to the plant's known optimum temperature. Multiple sensors positioned in a field collect and record canopy temperature and environmental data throughout the day. Smartfield's sensing technology coupled with algorithms and scientific methodology determine when crops are experiencing stress. The CropInsight™

database and web interface maintains data about the crop and sends signals for an intervention, such as irrigation or a tropical application, when required. Since 2009, Smartfield has transitioned from direct sales of irrigation management equipment to leasing agricultural monitoring equipment and delivering valuable data throughout a growing season to large commercial producers and researchers.

SNRLabs Corporation – Common Stock

Intended outcome: Commercialization of Convergence Manager Handset™ software.

Actual outcome: The SNRLabs product line, Veregere™, provides device-based solutions for traffic management of heterogeneous networks, including 3G and Wi-Fi. SNRLabs developed its product to address multi-radio bandwidth management and seamless mobility for network operators. The company was acquired by SEVEN Networks in February 2013. Per the Asset Purchase Agreement, SNR Labs' employees transferred to SEVEN Networks. The company's product line is now incorporated into its acquirer's product portfolio.

SolarBridge Technologies, Inc. – Series B-1 Preferred Stock

Intended outcome: Commercialization of a micro-inverter for photovoltaic applications.

Actual outcome: The company's SolarBridge AC Module System consists of three components: The SolarBridge Pantheon™ or Pantheon II microinverter, the SolarBridge Power Manager and the SolarBridge Power Portal. It designed the system to offer solar module manufacturers and installers a microinverter solution that makes rooftop solar more simple, cost-efficient and reliable. Subsequent to the date of this report, the company was acquired by SunPower Corporation. The company plans to grow in Texas and maintain operations in Austin.

Solarno, Inc. – Common Stock

Intended outcome: Commercialization of SolarnoFlex™ a transparent, conductive electrode of carbon nanotube sheets, for use in photovoltaic technologies.

Actual outcome: Solarno has designed and sold 2 Advanced RF-CVD (radio-frequency chemical vapor deposition) systems for producing carbon nanotechnology (CNT) forests that can be drawn into sheets for PV and solar water heater systems. Solarno has secured TECP Technology Enhancement for Commercialization supplemental funding from the National Science Foundation for product optimization for potential sales to a commercial supercapacitor company and has secured a DOE Phase I STTR grant for Solar Thermal Water Heater. Solarno has continued to file additional patents.

Speer Medical Devices, Inc. – Investment Unit

Intended outcome: Commercialization of a noninvasive continuous vital sign monitor.

Actual outcome: The company received approval from an Investigational Review Board to proceed with a clinical trial. Clinical trials were being planned with a regional hospital. After intellectual property and commercialization delays, the company ceased operations and repaid a large portion of the award to TETF in 2013.

StarVision Technologies, Inc. – Warrant

Intended outcome: Commercialization of StarVision Space Systems.

Actual outcome: The company completed initial testing and development of its technology, but filed for bankruptcy in October 2010. The State filed a Proof of Claim in the bankruptcy. The Office of the Governor referred this matter to the Texas Office of the Attorney General. The debt was deemed uncollectible. The company has ceased operations.

Stellarray, Inc. – Common Stock

Intended outcome: Commercialization of flat panel x-ray source technology.

Actual outcome: The company successfully established its manufacturing processes and tested flat panel x-ray sources ranging up to 6 x 14 inches in size. These are being used in a self-contained blood irradiator, which is being tested to prepare for FDA clearance and product release. The company completed testing in collaboration with MD Anderson Cancer Center on digitally addressable versions of its x-ray sources for advanced imaging systems. Stellarray is actively raising a round of financing to support product launch.

Sunrise Ridge Algae, Inc. – Common Stock

Intended outcome: Commercialization of algae-derived biofuels project.

Actual outcome: The company worked with The University of Texas at Austin to research algae culture collection and was able to produce algae biomass for additional research and development. However, after technology and commercialize issues, Sunrise Ridge Algae ceased operations. In 2011, The Office of the Governor demanded repayment of the disbursed award for failure to pursue commercialization efforts. The Office of the Governor referred this matter to the Texas Office of the Attorney General. The debt was deemed uncollectible. The company has ceased operations.

Syndiant, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of light modulating panels for high resolution displays used in ultra-portable projectors small enough to embed in a cell phone.

Actual outcome: The company has established relationships with key partners that will allow the company to offer turn-key products for the near-eye market. This will give Syndiant the ability to sell a full product solution that makes it very easy for consumer and industry brands to enter the market. The company is also focusing on the automotive market and has teamed with a leading producer of thermal management components. This partnership will develop solutions that include optical engines and thermal management solutions designed to meet the rigorous demands of the automotive industry. The first product is currently being tested by one of the top automobile manufacturers in the world and is projected to be in the market for the 2016 model year.

The company has continued to expand focus in the pico projection market and has teamed with a design company in Hong Kong to build and resell a complete light engine that includes the Syndiant imager, light source and optics. In an attempt to strengthen its supply chain, the company has added a new foundry partner to provide wafers for its new panels. The SYL2271 Imager – 0.37” 1280 x 720 HD is paired with the SYA1231 drive controller which includes an embedded ARM™ processor. The ARM™ processor has allowed the company to tailor its product for unique customer requirements and to extend the supply chain with different liquid crystal and illumination technologies.

Targazyme, Inc. (fka America Stem Cell, Inc.) – Common Stock

Intended outcome: Commercialization of fucosyltransferase enzyme treatment.

Actual outcome: The company changed its name from America Stem Cell, Inc. to Targazyme, Inc. The company developed and initiated the manufacturing of sufficient quantities of ASC-101 for the first clinical trial in cancer patients at MD Anderson Cancer Center. The company completed a toxicology study, submitted a drug master file to the FDA and submitted and received Orphan Drug Designation for the treatment of myeloablation in patients receiving hematopoietic stem cell transplants. The company conducted successful cord-blood hematopoietic stem cell transplantation in patients with blood cancers. Targazyme is also developing a technology platform that addresses the role of free radicals in radiation damage and other diseases. Subsequent to the date of this report, TETF and the company entered into an agreement to terminate the award agreement, but requires the company to return the award, plus interest.

Telemedicine Up Close, Inc. (dba DxUpClose) – Secured Convertible Promissory Note

Intended outcome: Commercialization of a small, lightweight, portable, bacterial diagnostic that will perform an antibiotic susceptibility test in 60 minutes, reducing the delay in patient care.

Actual outcome: The company has a functional electronic prototype, and is continuing product development. A company-based bench trial was performed, and a 91% category agreement with the reference device was documented, proving design feasibility. The current version of the light weight reader (an engineering prototype) is about the size and weight of a large laptop; the disposable is made from reusable machined parts. DXUpClose's continuation of development includes making injection mold versions of the disposable product. There is a performance characterization IRB in place with Seton Healthcare Networks, a healthcare provider serving central Texas. New patents have been issued in the last 12 months, and international patents are being pursued. A draft 510(k) was submitted and the FDA categorized the FDA pathway to market as a 510(k) *de novo*.

Terapio Corporation – Series A-2 Preferred Stock

Intended outcome: Commercialization of RLIP 76, the basis of topical and systemic therapies.

Actual outcome: Terapio has continued preclinical development of RLIP76 as a radiation countermeasure (systemic therapy) under direct support from the National Institute of Health (NIH). In addition, commercialization activities continue under two other NIH programs: NIH Product Development Program directly supporting *in vivo* pre-clinical and IND-enabling studies and NID BrIDGs, which provides direct support for cGMP-based contract manufacturing of the RLIP76 drug substance and drug product. Moreover, Terapio successfully completed an SBIR contract award by the National Cancer Institute to formulate and evaluate RLIP76 as a treatment for radiation-induced mucositis (topical therapy). TETF has made an additional investment subsequent to the original award.

Terrabon, Inc. – Series A Convertible Preferred Stock

Intended outcome: Commercialization of the process of converting nonfood biomass into biofuels.

Actual outcome: The products the compay was developing included MixAlco®, a biofuel technology using disposed organic waste and biomass to create chemicals and drop-in transportation fuels, and SoluPro™, an eco-friendly conversion technology solubilizing protein waste with lime to create animal feed and commercial adhesives. In late 2012, the company filed for bankruptcy and has ceased operations.

Texas MicroPower, Inc. (TMP) – Common Stock

Intended outcome: Commercialization of a compact, high-efficiency energy harvesting system.

Actual outcome: The company is developing solar and vibration energy harvesting solutions in a variety of applications including personal electronics, wireless sensors and active radio frequency identification tags. On-going research and development includes integrated thin-film harvesters and high efficiency power management circuits. TMP has been concentrating on technology development primarily in collaboration with leading academic research teams building on an already established team at University of Texas at Dallas in preparation for securing a new grant and private funding. Additionally, TMP mentors senior student teams with collaborating UTD faculty to undertake projects complementing on-going research of the energy harvesting structures and devices based on earlier research and development and its commercialization capabilities. During this year a patent was granted, and TMP filed an additional patent application.

ThromboVision, Inc. – Warrant

Intended outcome: Commercialization of ThromboGuide™ platelet function monitor.

Actual outcome: The company completed design and prototype development of a 5th generation monitor in 2007. These devices were used to conduct several clinical trials, including a trial at Houston Methodist Hospital. An application for FDA approval was filed in August 2008, however, after five rounds of questioning and additional clinical testing, the FDA denied approval. ThromboVision filed for bankruptcy in September 2010. The Office of the Governor referred this matter to the Texas Office of the Attorney General to file a Proof of Claim. The company has ceased operations.

Turbo Trac USA, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of an infinitely variable mechanical transmission combined with self-adapting software.

Actual outcome: Turbo Trac was developing an infinitely variable (ratio) transmission (IVT) for heavy duty industrial applications, oil field pump jacks and industrial pump and compressor applications. This design would reduce fuel or electrical energy consumption and greenhouse gas emissions by up to 25% in some applications. The design would have the ability to handle the torque loads of electric motors and heavy-duty diesel engines, which other IVT designs have been unable to do. Additionally the IVT was designed to provide the reliability and durability needed for industrial applications. During 2014, Turbo Trac filed for bankruptcy, and TETF referred the matter the Texas Office of the Attorney General. The company has ceased operations.

TXL Group, Inc. – Warrant

Intended outcome: Commercialization of thermoelectric cells for harvesting roadway energy.

Actual outcome: A key premise when TXL Group was formed was that, with ever increasing energy costs, thermoelectric derived power would become a competitive alternative for a generation that burns fossil fuels. The substantial drop of fossil fuel prices since that time, has caused the company to redirect its efforts to the development of high efficiency thermoelectrics tailored to niche markets for sensor power and heat pumping. TXL Group is selling thermoelectric electronic converter devices through distribution. In 2014, the company received U.S. Patent 8,668,866 entitled “Shockwave fabrication of thermoelectric materials”, thereby increasing its patent portfolio to three issued patents. A previously issued patent is for roadway heat-powered roadway markers. In July 2014, the company received a $150,000 SBIR research contract from the U.S. Air Force for the investigation of shockwave manufacturing of thermoelectric materials.

Vapogenix, Inc. – Secured Convertible Promissory Note

Intended outcome: Commercialization of technology developing novel, non-opioid analgesics for minor procedure pain management.

Actual outcome: Vapogenix successfully completed its first clinical trial at Scott & White Medical Center in Temple, TX of its lead product, VPX-595, a rapidly acting topical analgesic. The primary objective of this Phase 1 study was establishing safety. Trial results reflected that all formulations were safe and well tolerated. A secondary objective was efficacy. Indications of rapid analgesic effect were seen in subjects with good baseline pain sensitivity. Moreover, Vapogenix made substantial progress in identifying additional product development opportunities. Future products will likely focus on wound pain and inflammatory pain.

Varaha Systems, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of uMobility™ Solutions.

Actual outcome: The company's uMobility™ application was approved for major smartphone and Blackberry devices and was sold worldwide. Varaha worked with The University of Texas at Arlington to publish a research and survey article, and partnered with a number of worldwide IP-PBXs, softswitches, smartphones and Wi-Fi access business collaborators. In 2014, Varaha filed Chapter 7 Bankruptcy. The matter has been referred the Texas Office of the Attorney General. The company has ceased operations.

Veros Systems, Inc. – Common Stock

Intended outcome: Commercialization of a software-enabled solution for smart asset management, providing continuous, preemptive, actionable information and knowledge about actual machine condition and energy efficiency.

Actual outcome: Veros System's ForeSight™ product provides pump, fan, motor and compressor dashboards with real-time operating metrics and clear, early warnings about impending industrial equipment failures and without false alarms. The company's commercialization of ForeSight™ included safety certification for the production version in 2014. The certification opened up more opportunities for current and new customers and is allowing investigation of previously unaddressed target application markets.

ViroXis Corporation – Series B Preferred Stock

Intended outcome: Commercialization of therapeutic products for the topical treatment of viral diseases in both adults and children.

Actual outcome: The company has completed and analyzed the Phase 2 study clinical on the use of East Indian sandalwood oil to treat HPV infections of the skin (common warts). The study found the oil to be safe and effective when administered topically. ViroXis is currently planning the next study for this product. In addition, a Molluscum contagiosum (MCV) Phase 2 study will start in early 2015. MCV is a viral skin infection cause by the poxvirus and common in children. The company is licensing its HPV over-the-counter product to Galderma S.A.

Visualase, Inc. – Warrant

Intended outcome: Commercialization of interactive image guided closed loop thermal therapy.

Actual outcome: The company received six regulatory approvals for Visualase-related products and began commercial sales. In July 2014, Visualse was acquired by Medtronic, Inc. Visualase's FDA-approved MRI-guided laser and image guided system for minimally invasive neurosurgeries was added to the Medtronic portfolio of therapies for treating neurological conditions within its Surgical Technologies business and will integrate the technology into its broader neuroscience offerings. The purchase was an up to $105M all cash-transaction. TETF received returns to the fund.

Vital Arts & Science, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of ocular disease detection and monitoring technology.

Actual outcome: The company has completed development of the commercial version of myVisionTrack™, a prescription-only medical device that enables patients with retinal diseases to monitor vision function between regular visits to eye-care professionals to help ensure timely care and treatments. The company previously received FDA clearance to market for the vision monitor. In 2014, the company submitted an updated FDA Special 510(k) application and release of the product is pending the updated clearance from the FDA. Commercialization is expected by January 2015. Subsequent to the date of this report the company transitioned into an LLC.

VUV Analytics, Inc. – Series A Preferred Stock

Intended outcome: Commercialization of a vacuum ultraviolet circular dichrosim instrument for protein structure characterization.

Actual outcome: The company completed beta testing of the VUV Absorption Gas Chromatography detector (GC-VUV) in late 2013. In March 2014, the company officially introduced the product. The company received their first official order for this instrument in September 2014. This instrument was successfully installed into a major Texas chemical manufacturing facility in Freeport, TX. The company has also been granted two patents from their first 3 applications. VUV Analytics closed a Series A qualifying investment led by S3 Ventures in March 2014. The investment totaled approximately $5.8 million dollars. This equity investment from S3 Ventures is to occur in two tranches. The first $2.4 million has been received and is being used to build production instruments and hire sales, marketing, and support resources. A portion of these funds has also been used as a gift to the University of Texas at Arlington, where the company's primary research on its current technology is occurring.

Xeris Pharmaceuticals, Inc. – Series B Preferred Stock

Intended outcome: Commercialization of non-aqueous formulations of biopharmaceuticals.

Actual outcome: Xeris has remained focused on the development of products utilizing its stable, soluble glucagon formulation. The same formulation is now being leveraged into multiple product presentations for the treatment of hypoglycemia related diabetes and other indications. In 2014, Xeris has become a clinical-stage company, successfully completing four Phase 2 clinical trials demonstrating the safety and efficacy of the G-Pen™, G-Pen Mini™ and G-Pump™ applications. Commercialization activities are underway for the lead product, the G-Pen™. Subsequent to the date of this report, TETF and Xeris terminated the award agreement and TETF sold its shares of the company. TETF received a return greater than the amount the company had received from TETF.

Xitronix Corporation – Common Stock

Intended outcome: Commercialization of photo-reflectance technology to enable the volume manufacturing of semiconductor nanoelectronics.

Actual outcome: The company has completed engineering design and tool development, and conducted a trial with consortium partners of its Photo-Modulated Reflectance (PMR) system. Xitronix' PMR systems are designed to provide precision process control semiconductor chip manufacturing. The company is engaged with key manufacturing customers and is seeking to place its XP900 model, which has improved signal/noise performance and additional wavelength options over its XP700, in wafer facilities manufacturing at the 32nm node and below. Headquartered in Austin, Xitronix is focused on customer adoption of its PMR technology as the de facto standard for active dose and strain metrology and the emerging recrystallization 3D metrology.

Xtreme Power, Inc. – Warrant

Intended outcome: Commercialization of large scale load leveling and micro grid systems.

Actual outcome: The company unveiled its new 1 megawatt, 60 minute system for Texas' Center for the Commercialization of Electric Technologies, a collaborative research and development consortium bringing together state university research centers, energy utilities and electric industry leaders. The project was included in a U.S. Department of Energy smart grid demonstration analyzing the benefits of using energy storage for wind energy integration. In early 2014, the company filed for Chapter 11 Bankruptcy and was purchased by Younicos, a Berlin-based grid battery and energy management startup.

Yaskawa Innovation, Inc. (fka Agile Planet, Inc.) – Common Stock

Intended outcome: Commercialization of robotic control technology.

Actual outcome: In 2013, Agile Planet was acquired by Yaskawa America, Inc. through a reverse triangular merge. Agile Planet changed its name to Yaskawa Innovation, Inc. (YII). YII has released the next generation of its RLX product, which is called MLX200. MLX200 broadens the market for YII robot control software and expands its applicability to system integrators, original equipment manufacturers, and end users. YII's parent company, Yaskawa America, Inc., is actively marketing and selling YII created products and technologies. TETF received returns at the time of the merger and additional returns in 2014.

ZS Pharma, Inc. – Series B Convertible Preferred Stock (NASDAQ: ZSPH)

Intended outcome: Commercialization of oral sorbent products designed to remove toxins in patients suffering from kidney and liver disease.

Actual outcome: The company previously presented Phase 2 data in a clinical trial oral presentation at the American Society of Nephrology's Kidney Week symposium in 2013. ZS Pharma has initiated its confirmatory Phase 3 study of ZS-9 (HARMONIZE) and a long-term safety study in patients with hyperkalemia and presented this data at the American Heart Association annual conference. The company raised $123M in an Initial Public Offering June 18, 2014. Subsequent to the date of this report, TETF sold its share of ZS Pharma, receiving a return significantly greater than the award amount, and terminating the award agreement.

REGIONAL CENTERS FOR COMMERCIALIZATION AND CONSORTIA

RCICs provided assistance to potential TETF applicants and were designated by the TETF Advisory Committee. In addition to screening and recommending companies for TETF funding consideration to the committee, RCICs were charged with assisting current TETF portfolio companies through accelerator services and introduction to, and assistance with, follow-on funding. Beginning in FY 2013, RCICs also had a consortium component. Also, beginning in FY 2013, the RCIC and related consortia funding was allocated from returns received by the fund.

Jobs numbers reported for active RCIC's are as of August 31, 2014. Jobs numbers reported for inactive RCIC's are as of the contract expiration or termination date.

REGIONAL CENTERS FOR COMMERCIALIZATION AND CONSORTIA

Award recipient	Award amount ($)	Award date(s)	Region	Jobs
Alliance for Higher Education	1,325,000	10/29/07; 10/29/08; 12/17/09; 9/1/10; 3/27/12	North Texas	3
Greater Austin Chamber of Commerce	1,207,451	10/25/07; 10/25/08; 10/25/09; 9/1/10; 4/26/12	Central Texas	7
Research Valley Partnership[1,2]	500,000	8/30/13	Texas Triangle & Consortium	9
Startech Foundation (fka SATAI Foundation Network)	1,287,369	11/9/07; 11/10/08; 9/1/09; 9/1/10; 2/10/12	South Texas	5
Technology and Entrepreneurship Center of Houston, Inc. (dba Houston Technology Center)[2]	2,531,000	11/21/07; 11/21/08; 9/1/09; 9/1/10; 3/15/12; 10/4/12; 12/20/12; 9/25/13; 6/3/14	Bay Area, Gulf Coast & North Texas	2
Texas Life Science Center for Innovation and Commercialization	452,500	4/10/08; 9/10/09	Statewide	2
Texas Research Technology Foundation[1,2]	1,000,000	8/30/13; 6/3/14	South Texas, Tropical Texas & Consortium	6
Texas State Technical College - Harlingen	356,277	3/15/12; 11/1/12	Tropical Texas	2
Texas Tech University	442,169	7/13/09; 9/1/09; 9/1/10; 4/10/12	Greater West Texas	2
Texas Tech University System[2]	1,000,000	9/25/13; 7/7/14	Trans Pecos El Paso & Greater West Texas	6
Trans Pecos Regional Center of Innovation and Commercialization	1,173,414	10/5/07; 11/1/08; 9/1/09; 9/1/10; 2/28/12	Trans Pecos El Paso	6
University of Texas at Arlington[2]	500,000	9/11/2013	Central Texas	7
Valley Initiative for Development and Advancement	245,275	3/4/8; 3/3/10	Tropical Texas	1

West Texas Regional Center of Innovation and Commercialization	211,492	11/9/2007	Greater West Texas	2
Total:	**12,231,947**			**60**

Notes:

[1]This award is for both the RCIC function and a consortium. Funds awarded are from returns to the fund.

[2]RCIC active as of 8/31/14.

SUBCHAPTER E: RESEARCH AWARD MATCHING

Subchapter E of Chapter 490 of the Texas Government Code established Research Award Matching funds to create public-private partnerships to leverage additional, non-state appropriated funding, including federal, private and industry dollars. The TETF gave preference to research activities that involve collaboration among private entities and multiple Texas institutions of higher education or the JSC. Research Matching awards were investments in the form of grants and often provided critical funding for projects that require state participation in order to receive federal grants or additional funding from other non-state entities and sources. After contracting, the total investment was contingent on specific contractual terms as well as continued compliance with the terms of the award agreement. The number of jobs created was derived from reports provided by and direct communication with each awardee. Job numbers for universities or consortia where the contract has expired or terminated is reported as the number of jobs at the time of the contract term or termination. Active awards are reported as of August 31, 2014. Award amounts are reported as the amount as of August 31, 2014. If an original award amount was reduced, the reduced amount is reported.

SUBCHAPTER E: RECIPIENT INFORMATION

Award Recipient – Project Name	Award amount ($)	Award date	Collaboration	Industry cluster	Region	Jobs
Alliance for Higher Education – Atomically Precise Manufacturing[1]	4,700,000	3/7/08	DARPA, UTD, UNT, UTSystem, TAMU, Raytheon, Vought, General Dynamics, Zyvex Labs	Advanced Tech. & Manufacturing	North	25
Carbon Nanotechnologies, Inc.[2]	975,000	9/1/06	U.S. Dept of Commerce National Institute for Standards and Technology	Advanced Tech. & Manufacturing	Gulf Coast	5
Center for Commercialization of Electric Technologies (CCET)[2]	500,000	10/9/07	Dept of Energy, Electric Power Research Institute, Electric Reliability Council of Texas	Energy	Central	10
Center for the Advancement of Non-metallics in Energy Sectors (CANES) - Advancing Performance Polymers in Energy Applications Consortium (APPEAL)	1,000,000	9/6/13	Texas A&M Polymer Technology Center, the Texas Engineering and Experiment Station, Texas State University, and Element Materials Technology Hitchin Ltd.	Advanced Tech. & Manufacturing	Gulf Coast	13
Global Contours, Ltd.[2]	950,000	4/5/07	U.S. Army SBIR & NSF	Aerospace & Defense	North	1
Lynntech, Inc.[2]	595,510	4/19/07	U.S. Air Force SBIR	Energy	Gulf Coast	1
National Trauma Institute[2]	3,608,051	1/28/08	U.S. Army Inst. of Surgical Research & Athena GTX	Biotechnology & Life Science	South	6

Award Recipient – Project Name	Award amount ($)	Award date	Collaboration	Industry cluster	Region	Jobs
Sematech Corporation[2]	5,000,000	5/22/06	Semiconductor Research Corporation, UT System, DARPA	Advanced Tech. & Manufacturing	Central	165
Texas A&M University – DARPA Robotics Challenge (DRC)	1,500,000	11/6/13	NASA, Johnson Space Center, UT Austin	Aerospace & Defense	Gulf Coast	49
Texas A&M University – GoWind[3]	900,000	3/12/14	Dept. of Energy, Texas Tech, UT Austin, TAMU Corpus Christi, UT Brownsville	Energy	Texas Triangle	N/A
Texas A&M University System – Center for Innovation in Advanced Development and Manufacturing (CIADM)	40,000,000	12/12/12	GSK , Kalon Biotherapeutics, U.S. Department of Health and Human Services Biomedical Advanced Research and Development Authority	Biotechnology & Life Science	Gulf Coast	24
Kalon Biotherapeutics, LLC.[4]	N/A	12/12/12	Special purpose entity for CIADM	Biotechnology & Life Sciences	Gulf Coast	96
Texas A&M University System – National Center for Therapeutics Manufacturing (NCTM)	50,000,000	1/27/09	MD Anderson & BARDA	Biotechnology & Life Science	Gulf Coast	87
Texas Agricultural Experiment Station – Algae Biofuels[2]	4,025,000	11/29/07	General Atomics	Energy	West	8
Texas Railroad Commission – FutureGen[2]	3,259,095	8/31/06	U.S. Department of Energy	Energy	West	0
University of Texas at Austin – Southwest Academy of Nanotechnology (SWAN)[2,5]	1,750,000	1/9/07	UT Dallas, TAMU, Rice University, Sematech, NASA, Semiconductor Research Corp.	Advanced Tech. & Manufacturing	Central	See Note[5]
University of Texas at Dallas – Texas Future Semiconductor Commercialization (FUSION)[2]	5,000,000	10/6/08	Consortium of Semiconductor Advanced Research (COSAR)	Advanced Tech. & Manufacturing	North	40
University of Texas Health Science Center at San Antonio – Comprehensive Facility for Animal Imaging Research (CFAIR)[2]	4,099,973	2/22/07	DARPA, NIH, UTSA, American Heart Assoc., SA Area Foundation & VA	Biotechnology & Life Science	South	15
Award Total:	**126,962,629**					**545**

Notes:

[1]Contract expired during FY2014.

[2]Contract has expired prior to FY2014.

[3]The award was cancelled and all TETF funds disbursed were returned. Amount not included in Award Total.

[4]Company is part of CIADM project. TETF holds equity in company.

[5]Job numbers for this award reported in Table 6: Subchapter F Recipient Information

SUBCHAPTER E: PROJECT DESCRIPTIONS

Alliance for Higher Education - Atomically Precise Manufacturing

Develop the basic tools and techniques necessary to enable accelerated commercialization and market adoption of nanotechnology-enabled devices and systems, including bio-sensors, pharmacological processing, deep-tissue medical imaging and low-powered sensors for defense and environmental monitoring.

Carbon Nanotechnologies, Inc.

Develop the Carbon Nanotube Accelerator Project (CNAP) to commercialize high-value singled-walled nanotubes (SWNT) applications, beginning with a new fuel cell electrode technology that can double the power density of fuel cells. Project goals included using these fuel cells to power portable and wireless electronic devices, and to supply SWNT in broad enough numbers to support nano-electronic component development and commercialization efforts.

Center for Commercialization of Electric Technologies (CCET)

Improve the Texas power grid into a smart grid, using innovative data processing technology to make it more reliable, secure and efficient than other grids in the US.

Center for the Advancement of Non-Metallic in Energy Sectors (CANES) – Advancing Performance Polymers in Energy Application Consortium (APPEAL)

Accelerate research programs and commercial developments focused on the application of high performance polymers in energy sector applications. This includes identifying non-metallic, non-corrosive materials for use in extreme conditions to assure Texas keeps pace with continuously increasing technical demands in the oil and gas sector. CANES supports the Advancing Performance Polymers in Energy Applications (APPEAL) consortium which is a collaboration between multiple industry partners including the Texas A&M Polymer Technology Center, the Texas Engineering and Experiment Station, Texas State University, and Element Materials Technology Hitchin Ltd.

Global Contours, Ltd.

Develop the company's patented Smart Concrete™, a material capable of sensing infrastructure conditions when used to construct new buildings, bridges, highways, dams, levees and tunnels. Instead of implanting third-party sensors, the Smart Concrete™ itself is the sensor. The technology has the potential for a variety of uses, including the detection of infrastructure breaches in buildings and other major infrastructure.

Lynntech, Inc.

Develop hydrogen fuel cell technology to be used for electrical power generation in machines such as wheelchairs, forklifts, pallet jacks, and military and commercial aircraft support vehicles.

National Trauma Institute

Develop and implement ground-breaking medical technologies to improve injury prevention as well as the diagnosis, survival and quality of life for victims of trauma and burn injury. The Institute develops intelligent medical care systems, including systems that allow medical personnel to remotely monitor and assess medical conditions in the field. Applications include military and first responder usage.

Sematech Corporation

Development of the Advanced Processing and Prototyping Center and acceleration of critical advanced manufacturing technologies imperative to national defense and the economy. Efforts include prototyping new nano-scale manufacturing processes creating the prototyping capabilities that accelerate the commercialization of new nano-electronics products.

Texas A&M University DARPA Robotics Challenge (DRC)

Support Texas A&M University's and the University of Texas' participation in the Defense Advanced Research Projects Agency (DARPA) Robotics Challenge (DRC) along with the National Aeronautics and Space Administration's Lyndon B. Johnson Space Center in Houston. The purpose of the Challenge is to develop robots capable of assisting humans in responding to natural and man-made disasters. Competitors in the DRC are developing robots that can utilize standard tools and equipment commonly available in human environments, ranging from hand tools to vehicles. The team's humanoid robot is named Valkyrie.

Texas A&M University – GoWind

Create a consortium in Texas to develop and increase the capacity of offshore wind farms, and turbine and platform technologies in conjunction with the U.S. Department of Energy (DOE) Offshore Wind Advanced Technology Demonstration Project. The consortia was contingent upon Texas being selected by the DOE as one of three pioneering offshore wind demonstrations to receive up to $47 million over four years. Texas did not receive the DOE designation, and the award amount disbursed ($900,000) was repaid to TETF.

Texas A&M University System – Center for Innovation in Advanced Development and Manufacturing (CIADM)

Enhance the nation's emergency preparedness against emerging infectious diseases, including pandemic influenza, and chemical, biological, radiological and nuclear threats. CIADM is developing the ability for rapid and efficient manufacture of vaccines and medical countermeasures against biological threats. The Center represents unprecedented public-health collaboration among state and federal governments, academia and private industry. It is one of only three nationally designated centers.

Kalon Biotherapeutics, LLC. – Ownership Units received under Subchapter E award

Intended outcome: Established as the special purpose entity under the CIADM project to serve as a contract manufacturer.

Actual outcome: Kalon, a biologics development and manufacturing service provider, has received an award from Texas A&M University and GSK to develop pandemic preparedness. Subsequent to the date of this report, Fujifilm Diosynth Biotechnologies acquired 49% of Kalon. TETF received returns to the fund for its ownership position in Kalon through the CIADM award.

Texas A&M University System – National Center for Therapeutics Manufacturing (NCTM)

The NCTM has made the Bryan-College Station area an international destination for research and development of medications to combat diseases such as cancer, diabetes and influenza, and will serve as a model for future national facilities that will protect the nation from bio-terror threats and attacks. Efforts include the development of flexible, disposable biologics manufacturing technologies. NCTM is a first-of-its-kind, multidisciplinary workforce education institution and biopharmaceutical manufacturing center.

Texas Agricultural Experiment Station – Algae Biofuels

Develop and commercialize key technologies required for the economical production of algae biofuels, for use primarily in transportation.

Texas Railroad Commission – FutureGen

Support the completion of a proposal by the FutureGen, a public-private partnership, to establish the nation's first near-zero emission coal-fired power plant in Texas. The Department of Energy eventually chose Illinois as the site of the plant.

The University of Texas Austin – Southwest Academy of Nanotechnology (SWAN)

Support the establishment of (SWAN), one of three prestigious centers created by the Semiconductor Research Corporation Nanoelectronics Research Initiative and supported by the National Science Foundation. SWAN performs nanoelectronics research for finding a replacement to conventional metal oxide semiconductor field effect transistors.

The University of Texas at Dallas – Texas Future Semiconductor Commercialization (FUSION)

Supporting the FUSION consortium focused on the promoting research and development of applications of semiconductor technology, and accelerate the commercialization of the products. Research projects include: low power electronics for medical applications; high-power high-speed radio frequency electronics for defense applications; flexible electronic structures for defense and entertainment applications; and large scale non-volatile memory devices.

The University of Texas Health Science Center at San Antonio – Comprehensive Facility for Animal Imaging Research (CFAIR)

Establish a research facility where scientists will use imaging to evaluate new drugs and medical devices prior to and during human trials. Research at the facility has the potential to save the lives of many soldiers, lead to breakthroughs in the treatment of many diseases and conditions and yield findings that can be commercialized.

SUBCHAPTER F: ACQUISITION OF RESEARCH SUPERIORITY

Subchapter F of Chapter 490 of the Texas Government Code established Acquisition of Research Superiority awards to bring the best and brightest researchers with commercialization experience to Texas. This enabled Texas universities and colleges to continue building expertise in key translational research areas, and move academic discovery from the lab into the marketplace. The TETF gave added consideration to proposals that were interdisciplinary, eligible for federal and other non-state funding, and likely to become a magnet for attracting new businesses, talent and funding.

To be eligible for this award, an applicant must have been a Texas public institution of higher education. While the Lyndon B. Johnson Space Center of the National Aeronautics and Space Administration is designated as an institution of higher education for TETF collaborative purposes, the JSC was prohibited from receiving direct investments from the TETF, and therefore ineligible for Acquisition of Research Superiority. Successful proposals committed to acquiring new world-class or nationally recognized research talent from outside Texas, were sponsored by the institution's leadership and received industry validation through matching funds. After

contracting, the total investment was contingent on specific contractual terms as well as continued compliance with the terms of the award agreement.

The number of jobs created was derived from reports provided by and direct communication with each awardee. Job numbers for universities or consortia where the contract has expired or terminated is reported as the number of jobs at the time of the contract expiration or termination. Active awards were reported as of August 31, 2014. Award amounts are reported as the amount as of August 31, 2014. If an original award amount was reduced, the reduced amount is reported.

SUBCHAPTER F: RECIPIENT INFORMATION

Award recipient	Award amount ($)	Award date	Collaboration	Industry cluster	Region	Jobs
Texas A&M University – Center for Cell and Organ Biotechnology (CCOB)	3,000,000	8/9/2013	Texas Heart Institute	Biotechnology & Life Science	Gulf Coast	26
Texas A&M University System – Texas BioEnergy Alliance (TxBio)	3,412,500	7/26/2007	Texas Agriculture Experiment Station, Texas Engineering Experiment Station	Energy	Gulf Coast	26
Texas A&M University System – Texas Institute for Preclinical Studies (TIPS)	6,300,000	7/20/2007	Research Valley Partnership	Biotechnology & Life Science	Gulf Coast	74
Texas A&M University Health Science Center at Temple – Institute for Regenerative Medicine (IRM)	5,250,000	9/19/2008	Scott & White Health Care System	Biotechnology & Life Science	Central	42
Texas State University at San Marcos – Center for Multifunctional Materials	4,200,000	2/9/2009	Freescale, Motorola & Sematech	Advanced Tech. & Manufacturing; Biotechnology & Life Science	Central	64
Texas Tech University at Lubbock – International Center of Excellence in Agricultural Genomic and Biotechnology[2]	2,029,118	5/1/2006	Bayer CropScience	Biotechnology & Life Science	West	13
Texas Tech University at Lubbock – Nanophotonics Center[2]	2,082,860	2/12/2008	GE & Honeywell	Computer & IT	West	19
Texas Tech University at Lubbock – National Institute for Renewable Energy (NIRE)	8,022,000	8/20/2010	Vestas & Alstom	Energy	West	9
University of Houston – Texas Center for Superconductivity Applied Research Hub	3,500,000	11/17/2009	SuperPower	Energy	Gulf Coast	18
University of Houston – Texas International Center for Cell Signaling and Nuclear Receptors	5,775,000	2/5/2009	Methodist Hospital Research Institute	Biotechnology & Life Science	Gulf Coast	123
University of North Texas Health Science Center – Center for Commercialization of Fluorescence Technologies[2]	2,384,035	3/13/2007	Omm Scientific, National Institutes of Health, National Science Foundation	Biotechnology & Life Science	North	9

Award recipient	Award amount ($)	Award date	Collaboration	Industry cluster	Region	Jobs
University of Texas at Austin – Neuroscience Imaging Center[1]	3,675,000	12/10/2007	Center for Memory and Learning, National Institute of Health	Biotechnology & Life Science	Central	63
University of Texas at Dallas – Texas Analog Center of Excellence	4,725,000	9/1/2009	Texas Instruments & Semiconductor Research Corp.	Computer & IT	North	79
University of Texas at El Paso – Center for Inland Desalination Systems[2]	2,100,000	10/20/2008	El Paso Water Utilities	Energy	Trans Pecos - El Paso	29
University of Texas at El Paso – Integrated 3D Systems – Structural and Printed Emerging Technologies Center	3,150,000	7/21/2010	Lockheed Martin Aeronautics	Advanced Tech. & Manufacturing; Aerospace & Defense	Trans Pecos - El Paso	16
University of Texas at Tyler – Texas Allergy, Indoor Environment and Energy Institute (TxAIRE)[2]	3,937,500	6/14/2007	Trane Division of American Standard, Lennox Corp., Estes McClure & Assoc. Rheem Air Conditioning Division, Air Rover Inc., International Center for Indoor Environment and Energy	Energy; Biotechnology & Life Science	North	69
University of Texas Health Science Center at Houston – Alliance for Nanohealth[2]	2,618,614	8/23/2006	NASA, U.S. Department of Defense, National Cancer Institute, M.D. Anderson, University of Houston, Baylor College of Medicine, TAMUS Health Science Center, UTMB-Galveston, Rice University	Biotechnology & Life Science	Gulf Coast	100
University of Texas Health Science Center at Houston – Center for Translational Injury Research (CeTIR)	4,200,000	10/6/2008	Memorial Hermann Hospital and U.S. Army Advanced Technologies Research Center	Biotechnology & Life Science	Gulf Coast	56
University of Texas Health Science Center at Houston – Children's Regenerative Medicine Institute	3,150,000	7/28/2011	Children's Memorial Hermann Hospital; Kinetic Concepts, Inc., Cord Blood Registry, Athersys, Inc., EMIT Corp.	Biotechnology & Life Science	Gulf Coast	37
University of Texas Health Science Center at Houston – Texas Therapeutics Institute	2,300,000	7/12/2010	Johnson & Johnson; Merck Sharm & Dohme Corp.	Biotechnology & Life Science	Gulf Coast	29
University of Texas San Antonio – Institute for Cyber Security[1]	3,694,524	4/5/2007	U.S. Department of Homeland Security	Computer & IT	South	8
University of Texas System – Southwest Academy for Nanotechnology	10,500,000	3/15/2007	Texas Instruments & Semiconductor Research Corporation	Computer & IT	Central	70
Total:	**90,006,151**					**979**

Note:

[1]Contract expired during FY2014.

[2]Contract has expired prior to FY2014.

SUBCHAPTER F: PROJECT DESCRIPTIONS

Texas A&M University

Center for Cell and Organ Biotechnology (CCOB)

Recruit Dr. Doris Taylor and establish the Center for Cell and Organ Biotechnology in partnership with the Texas Heart Institute and the Texas A&M University College of Veterinary Medicine & Biomedical Sciences. The Center focuses on the commercialization of anti-organ transplant rejection therapies. Dr. Taylor draws from expertise at both institutions to position the CCOB as a world leader in adult stem cell research, organ transplantation and personalized medicine.

Texas A&M University System:

Texas BioEnergy Alliance (TxBio)

Recruit two world-class researchers and establish the Texas BioEnergy Alliance for the commercialization of preferred feedstock for converting biomass conversion and production of biofuels and related bioproducts.

Texas Institute for Preclinical Studies (TIPS)

Recruit three world-class researchers and establish TIPS to research and develop innovative advancements in biotechnology and supporting new discoveries, particularly medical devices and therapies. The Institute will accelerate commercialization of products for the treatment and prevention of a variety of diseases.

Texas A&M University Health Science Center at Temple

Institute for Regenerative Medicine (IRM)

Recruit Dr. Darwin Prockop and team to establish the Institute for Regenerative Medicine for the commercialization of regenerative medicine. Regenerative medicine focuses on the functional restoration of damaged organs and tissues, through use of adult stem cells, rather than treatment to decrease or moderate symptoms through therapies such as dialysis, implanting replacement devices or organ transplant.

Texas State University at San Marcos

Center for Multifunctional Materials

Recruit three world-class researchers and establish the Center for Multifunctional Materials by supporting the operation and staffing of a center for the research, development and commercialization of materials for use in multiple applications. Uses include information processing and high-density, light-weight information storage, more efficient solar power generation and new approaches to computing and communication.

Texas Tech University at Lubbock

International Center for Excellence in Agriculture Genomic and Biotechnology

Recruit Dr. Thea Wilkins and establish the ICE in Agriculture Genomic and Biotechnology for the commercialization of cotton genomic mapping. The Center uses cutting edge genomics and

biotechnology to develop new agriculture products that will serve as the foundation for new business ventures. Dr. Wilkins, an acclaimed cotton geneticist, was recruited from University of California at Davis.

Nanophotonics Center

Recruit Drs. Jingyu Lin, Zhoayang Fan and Hongxing Jiang, three experts in nanophotonics. The establishment of the Center accelerates commercialization of nonophotonic technologies, which involves the creation and manipulation of advanced materials at the nanoscale that can produce and sense light. The research has significant implications in the fields of defense, telecommunications and homeland security.

National Institute for Renewable Energy

Recruit world class researchers for the commercialization of wind and other renewable energies. Texas Tech is partnering with the National Institute for Renewable Energy (NIRE), which supports the National Wind Resource Center (NWRC). NWRC is a nonprofit organization formed by Texas Tech that focuses on wind power research and education through collaboration with national laboratories, academic institutions and trade organizations.

University of Houston

Texas Center for Superconductivity Applied Research Hub

Recruit four world class researchers and establish the Texas Center for Superconductivity Applied Research Hub for commercialization of high temperature semiconductors and wires. The Hub's initial focus was a second generation superconducting wire that will improve the efficiency, security, stability and environmental compatibility of the electric power grid. The hub is led by Dr. Venkat Selvamanickam, a world-renowned expert in superconductivity.

Texas International Center for Cell Signaling and Nuclear Receptors

Recruit Jan-Åke Gustafsson, M.D., Ph.D., and team and establish a center for the commercialization of cancer and other disease therapies. Preliminary research will focus on the use of nuclear hormone receptors as therapies for an array of diseases. Dr. Gustafsson was recruited from Sweden and is working with longtime research partner Margaret Wernerm, also of Sweden, and a support staff from Sweden's Karolinka Institute.

University of North Health Science Center

Center for Commercialization of Fluorescence Technologies

Recruit Drs. Karol Gryczynski, Ingancy Gryczynski, Evgenia Matveeva and Julian Borejdo and establish a center focusing on commercialization of fluorescence technology, as it relates to tissue imaging that allows noninvasive cancer detection and the monitoring of biohazards. Fluorescence-based detection and fluorescence imaging technologies can be used for optical sensing, enhanced security systems, biomedical diagnostics and tissue imaging.

University of Texas at Austin

Neuroscience Imaging Center (NIC)

Recruit Drs. Kristen Harris, Max Snodderly and one additional world-class researcher to establish the Neuroscience Imaging Center for the commercialization of therapies that enhance the neural circuitry and molecular basis of learning, memory and aging. The Center is studying how the human brain interacts with non-biological systems, such as information storage devices and computer systems.

University of Texas at Dallas

Texas Analog Center of Excellence (TxACE)

Recruit Dr. Kenneth O and three additional world-class researchers and establish the Texas Analog Center of Excellence for commercialization of analog and radio frequency technologies. The Center's purpose is to meet the increased demand for electronics enabled by analog and mixed-signal chips and help address issues such as energy efficiency, health care and public safety.

University of Texas at El Paso

Center for Inland Desalination Systems

Recruit Dr. Thomas A. Davis and one additional researcher to establish a center in El Paso to commercialize technologies related to desalination. The Center applies current desalination technology to address immediate water needs, as well as researching new ways to capture and recycle the byproduct of the process. Desalination expert Dr. Davis was recruited from the University of South Carolina.

Integrated 3D Systems - Structural and Printed Emerging Technologies Center

Recruit three world class researchers and expand the W.M. Keck Center for 3D Innovation. The Center is helping to establish a research and development center focused on 3D macro- and nano-scale systems development and integration, with particular application in the aerospace, defense and medical industries.

University of Texas at Tyler

Texas Allergy, Indoor Environment and Energy Institute (TxAIRE)

Recruit a world-class researcher and establish the Texas Allergy, Indoor Environment and Energy Institute for the study of indoor air quality. The Institute is commercializing technologies related to residential indoor environmental quality and micro-combined heating.

University of Texas Health Science Center at Houston

Alliance for NanoHealth

Recruit Dr. Mauro Ferrari and enhance the Alliance for NanoHealth at UTHSC - Houston for the commercialization of nanomedicine. The alliance was created as an interdisciplinary, multi-institutional organization aimed at bridging gaps between medicine, biology, engineering, nanotechnology and public policy.

Center for Translational Injury Research (CeTIR)

Retain Dr. John Holcolmb, Col. (Retired) and recruit four additional leading scientists and surgeons in trauma care to establish the Center for Translational Injury Research. The Center is using the next-generation medical technologies for the commercialization of trauma and critical care medicine and medical devices to improve the level of critical care patients receive in an emergency. Treatments and devices are being used in civilian and military environments.

Children's Regenerative Medicine Institute

Recruit two world class researchers and expand the Children's Regenerative Medicine Institute to accelerate the development and commercialization of therapies for *in utero* and neo-natal disease and injury. The research program is devoted to childhood conditions and seeking to harness the body's regenerative powers to repair malformed organs and to mitigate injury from illness or trauma.

Texas Therapeutics Institute

Recruit two world class researchers and establish the Texas Therapeutic Institute to accelerate the commercialization of drug therapies. The Institute is a research pipeline between the Health Science Center at Houston, MD Anderson Cancer Center and the University of Texas at Austin. The Institute coordinates and oversees collaborative drug development at these three institutions.

University of Texas San Antonio

Institute for Cyber Security Research

Recruit Dr. Ravi Sandhu and establish the Institute for Cyber Security Research for the commercialization of information assurance and security technology. Dr. Sandhu became the founding executive director and chief scientist of the Institute, the first in Texas designated as a National Security Agency Center for Infrastructure Assurance and Security by the federal government.

University of Texas System

Southwest Academy for Nanotechnology (SWAN)

Recruit four globally-recognized researchers and their teams to establish the Southwest Academy of Nanotechnology, creating a multiple university consortium for the research of nano-electronics. The academy will develop and commercialize breakthrough research, benefiting the semiconductor, energy, life sciences, aerospace and defense industries.

DEFINED TERMS

Equity Option: An equity derivative that provides the right, but not the obligation, to purchase a quantity of stock, at a set price, within a certain period of time

Equity share: A share of equity interest in an entity such as the capital stock (common and preferred stock) of a company, trust, or partnership

Promissory note: An instrument, wherein one party makes an unconditional contractual obligation to pay a determinate sum of money to the other, either at a fixed or determinable future time or on demand of the payee

Secured Convertible Promissory Note: An instrument, wherein one party makes an unconditional contractual obligation to pay a determinate sum of money to the other, either at a fixed or determinable future time or on demand of the payee. The Note can also be exchanged, at a fixed or determinable rate, into capital stock of the issuing entity either automatically or at the discretion of the holder.

Warrant: An equity derivative that entitles the holder to buy capital stock (common) of an entity issued at a specified price

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